



# USAID AGRO HORIZON PROJECT YEAR ONE ANNUAL REPORT

OCTOBER 1, 2014 – SEPTEMBER 30, 2015

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# Acronym list

|        |   |
|--------|---|
| ABSP   | Agricultural and Business Service Provider                    |
| AFVE   | Association of Fruits and Vegetable Enterprises               |
| AIRD   | Associates for International Research and Development         |
| AMEP   | Activity Monitoring and Evaluation Plan                       |
| AO     | Aiyl Okmotu (municipality)                                    |
| BCC    | Behavior Change Communication                                 |
| BDS    | Business Development Services                                 |
| CDCS   | Country Development Cooperation Strategy                      |
| COP    | Chief of Party  |
| ECS    | Environmental Compliance Specialist                           |
| EMMP   | Environmental Monitoring and Mitigation Plan                  |
| EAEU   | Eurasian Economic Union                                       |
| GGPAS  | Good Governance and Public Administration Strengthening       |
| GOKR   | Government of the Kyrgyz Republic                             |
| HICD   | Human and Institutional Capacity Development                  |
| KR     | Kyrgyz Republic   |
| KREG   | Kyrgyz Republic Economic Growth                               |
| M&E    | Monitoring and Evaluation                                     |
| M&EL   | Monitoring, Evaluation, & Learning                            |
| MFI    | Microfinance Institution                                      |
| MOA    | Ministry of Agriculture                                       |
| RAS    | Rural Advisory Service  |
| SME    | Small and Medium-Sized Enterprise                             |
| SOW    | Scope of Work   |
| STICKS | Scalable Tracker for Imparting Certified Knowledge and Skills |

|        |  |
|--------|--|
| SUN    | Scaling up Nutrition   |
| TOT    | Training of Trainers   |
| SPRING | Strengthening Partnerships, Results, and Innovations in Nutrition Globally |
| USAID  | United States Agency for International Development                         |
| USG    | U.S. Government  |
| WASH   | Water, Sanitation, and Hygiene   |

# I. EXECUTIVE SUMMARY

ACDI/VOCA, with subcontractors Helvetas and AIRD, is pleased to submit the Year 1 Annual Report for the USAID Agro Horizon Project (Agro Horizon) for the period October 1, 2014 – September 30, 2015. This report is organized according to the annual report requirements listed in section F.5.4. of the contract.





## Situational Background

### Project Objectives

Agro Horizon's goal directly supports Objective #3 in the USAID Kyrgyz Republic country development cooperation strategy (CDCS) of *accelerating the growth of a diversified and equitable economy*. The project goal is to bring about accelerated growth in a diversified and equitable agricultural sector by ensuring selected value chains 1) increase productivity and output, 2) increase nutritious foods available to agricultural producers, 3) increase employment in the agricultural sectors, and 4) increase the market share of crops in the value chains in both domestic and foreign markets.

Growth in the agricultural sector is slower than the growth of the total Kyrgyz economy, and formal employment in agriculture fell from 43 percent to 32 percent of the total labor force from 2003-2010, according to World Bank data for 2011. Growth in agriculture is hampered by lack of credit, poor land management, insufficient quality control, taxes, and trade constraints. Despite these challenges, agriculture remains important to the well-being of Kyrgyz citizens. Over half of rural income comes from agriculture.

Agro Horizon's zone of influence includes Osh, Batken, Jalalabad, and Naryn. As stated in the Agro Horizon contract scope of work (SOW), these four geographic regions are home to 55 percent of the total population and the overall poverty rate in these areas is 49 percent, versus 30 percent in the rest of the country. Likewise, the rate of stunting for children under 5 is 21 percent in this zone, versus 14 percent in the rest of the country. Batken and Naryn are sparsely populated, and even though the level of need is high, higher numbers of poor, under-nourished people reside in Jalalabad and Osh. Osh and Jalalabad were the locations of inter-communal violence in June 2010 when clashes erupted due to ethnic, political, and economic divides. An inclusive economic development is crucial to stem extremist activities and promote democracy and stability.

| SUPPORT FOR FARMERS BY REGION   |              |              |              |              |
|---|--------------|--------------|--------------|--------------|
|   | OSH          | JALAL-ABAD   | BATKEN       | NARYN        |
| TYPE OF ACTIVITIES  | # OF FARMERS | # OF FARMERS | # OF FARMERS | # OF FARMERS |
|  FRUITS AND BERRIES          |              | 400          | 1075         | 300          |
|  VEGETABLES                  | 865          |              | 255          | 350          |
|  DRIP IRRIGATION             | 52           | 40           | 83           | 64           |
|  TRADE AND INVESTMENT EVENTS | 206          | 159          | —            | 159          |

### Program Launch and Programmatic Approach

Agro Horizon conducted a **value chain assessment** in December 2014, which identified the fruit, vegetables, livestock (including eggs and cattle), and dairy value chains as having the greatest potential to maximize incomes and nutrition of smallholder farmers and contribute to overall agricultural growth in the target areas.

The assessment recommended early interventions begin with these four value chains as they met the following criteria with the highest scores; income potential, growth potential, importance to food security and nutrition, impact on women, reach of target farmers, relevance to the project's target indicators, potential for intensification/expansion, and potential for project success. Other key factors included the state of supporting systems, including the enabling environment, financial services, input supplies, agricultural and business service providers (ABSPs), and business development services (BDS) providers.

Agro Horizon conducted a **gender assessment** as the basis for the development of a gender strategy that included a gender action plan to ensure women's active and equitably beneficial involvement in project activities. The research analyzed gender roles, behaviors, constraints, and opportunities. In addition, the gender team took an active role in integrating practical gender activities into the scopes of work for initial catalyzing grants.

Agro Horizon presented its program strategy at a **stakeholders' meeting** on February 24-25, 2015, sharing the work plan for Year 1 with over 120 local government representatives from the four target oblasts; agribusinesses and entrepreneurs; ABSPs; agriculture sector and rural development donors; gender and nutrition organizations; and local NGOs. Focus groups identified key actors and their roles, shared best practices, and discussed potential constraints related to possible interventions. Project design, approaches, and monitoring issues were also openly discussed, allowing for further modifications to program implementation.

Continued outreach included **four regional roundtables** in the zone of influence to identify potential partners and get a sense of the enabling environment at the regional level. Representatives of local governments and other stakeholders helped define specific areas of opportunity by value chain and identify key participants

in project interventions. Official letters from the local government requesting project interventions were received by Agro Horizon after the roundtable.

Agro Horizon's program implementation plan was originally intended to coincide with the start of the agricultural planning cycle. Delays in staffing, however, resulted in a pushed-back timeline that extended several months into the 2015 agriculture season. To make up for this delay, Agro Horizon amended the program approach and introduced a **catalyzing grants initiative** through the Project Fund. Agro Horizon began the solicitation process with an open call for program-related grants that directly supported the goals of the program. Overall, 12 grants and three contracts were awarded to strengthen target value chains.

Later in the year, the Project Fund funded further trainings on water management that focused on areas where target-crop value chains would be supported. Agro Horizon mobilized farmers in two oblasts of southern Kyrgyzstan in autumn of Year 1, and trainings will start in early Year 2 for a total of 2,800 farmers.

After the catalyzing grants were underway, the project team initiated the **planning process of designing models** for Year 2. During this period, several feasibility assessments were conducted resulting in the identification of Year 2 value chains. Further, a winter milk model was tested that could be replicated in future value chains. In Year 2, value chains that were successfully piloted with catalyzing grants in Year 1 will be scaled up. These include potato seed production, livestock, apricot, and nursery fruit trees.



## Geographic Zones of Influence

The geographic focus of the project is defined as the entirety of Naryn, Jalalabad, Osh, and Batken oblasts. The map below is a visual representation of programmatic activities within the zone of influence. Activities include trade and investment events, enabling environment interventions, activities within the target fruits/berries and vegetable value chains, and drip irrigation support across value chains.



## Annual Cumulative Accomplishments

- **4,863** rural households benefited directly from training and technical assistance.
- **225** food security private enterprises (for profit), producers organizations, water users associations, women's groups, trade and business associations, and CBOs received USG assistance.
- **5,560** people were trained in child health and nutrition sanitation and hygiene through agricultural advisory services and Health Promotion Actors.
- **3,200** smallholder and commercial farmers applied new productivity techniques in target value chains.
- **49** jobs were attributed to implementation.
- **9** new and/or improved products were developed by beneficiaries.

## SUCCESS STORIES



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# KYRGYZ REPUBLIC

## SUCCESS STORY

### Strawberries Mean Income from Home Gardens in Osh

**For too long home gardens were not considered a source of meaningful income.**



Mrs. Abiba Nurmatova at her home demonstrating her strawberry garden.

**“For so many years I didn’t realize that my home garden could be turned into a good business.”**

Abiba Nurmatova,  
Home Gardener

U.S. Agency for International Development  
Mission in the Kyrgyz Republic:  
[www.usaid.gov/kyrgyz-republic](http://www.usaid.gov/kyrgyz-republic)  
[www.fb.com/agrohorizon](http://www.fb.com/agrohorizon)

The majority of private houses in Kyrgyzstan have a home garden, an inheritance from the Soviet system where everyone was expected to grow part of their food. After the collapse of the Soviet Union, and faced with a market economy, many people slowly distanced themselves from their gardens, with only a few growing salad vegetables.

Mrs. Abiba Nurmatova, from Kadamjai in Osh oblast, was no exception. In recent years she only grew tomatoes, cucumbers and the occasional cabbage or handful of potatoes. Even though her 2,000 square foot garden has the potential to produce other vegetables, she never imagined it could be a source of additional income.

*“Most local businessmen grow vegetables in large fields and export everything in trucks. I have a big family that depends on me and I don’t have spare time to garden. I didn’t think my small garden could be a source of anything other than just salads on my table”.*

In the spring of 2015, Mrs. Nurmatova was invited by her friend to attend a training on agricultural best practices and hygiene and sanitation organized by the USAID Agro Horizon Project. After listening to the lectures about the economic potential of growing strawberries she volunteered to participate in the program with her home plot serving as a demonstration field.

*“I planted a small plot – only one tenth of my garden - with the “Black Prince” variety of strawberries and I was so surprised with the results. Now I regret not planting more!” reported Mrs. Nurmatova.*

Since strawberries are easy to care for and have a long growing season from early spring until the cold season, they’ve become popular among USAID Agro Horizon Project’s partners and participants. The majority of the participants are women gardeners, most of whom preserve fruit as jams, which extends the harvest into a year long business.

In her first year, Mrs. Nurmatova sold her strawberries at the local market, collecting income from her garden for the first time. She is now in the process of preparing jam for the winter season. As for next year, she’s ready to expand her strawberry garden to use all of her 2,000 square feet and has taken part in more Project trainings. In addition, through the USAID Agro Horizon Project she found a local jam factory willing to buy berries from a local women’s group, where Mrs. Nurmatova is an active member.

*The USAID Agro Horizon Project aims to raise smallholder farmers’ incomes by expanding markets and increasing the competitiveness of fruits, vegetables, and dairy products. The project will increase employment in the agricultural sector, especially for women and youth, while improving the availability of nutritious foods.*



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**KYRGYZ REPUBLIC**

## SUCCESS STORY

### Innovative Equipment Offers New Opportunities in Batken

**Higher processed apricot volumes will directly benefit the local economy.**



Through a demonstration project more than 60 farmers from Batken oblast were able to learn the details of new drying technology.

“Now we don’t fear bugs, animals, weather changes or dust. The new drying equipment protects our apricots while drying them quickly.”

Mr. Tursunaly Tolomushev,  
Director, Alysh Dan Cooperative

U.S. Agency for International Development  
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Working in the agricultural sector in the Kyrgyz Republic, especially in the fruit sector, is very labor intensive. Apricot farmers in the southern oblast of Batken utilize a great deal of manual labor to grow, wash, dry and process apricots before they are ready for export.

Mr. Tursunaly Tolomushev is the Director of the Alysh Dan Cooperative in Karabak village. Alysh Dan is a beneficiary of the USAID Agro Horizon Project, which is increasing the competitiveness of agricultural products in the Kyrgyz Republic.

*“We used to dry all the apricots under the sun in the open air and it would take 10 - 15 days to dry them. Now with this new innovative tunnel drying equipment it only takes us three days!” reported Mr. Tolomushev. “We are telling other cooperative members to dry apricots using the same drying racks and we want to build over 100 units so we can dry our harvest ourselves.”*

Not only did drying apricots by sun take a lot time, it resulted in considerable reduction in quality and increase in loss because they were not protected from birds and animals. Most of the local farmers cannot process their own apricots efficiently because there is such a large volume of fruit to process quickly during harvest time and apricots are not a fruit that store well. As part of the activities aimed at improving the quality and safety of the final product to increase competitiveness, the USAID Agro Horizon Project provided Alysh Dan cooperative with training on new technologies including tunnel style drying equipment.

Mr. Tolomushev established a school to teach other members how to build tunnel style dryers. He teaches skills learned as part of his partnership with the USAID Agro Horizon Project that provides training on sanitation and hygiene practices.

*“I have a much better, cleaner product that I can sell for a higher price, and on top of that, I am consulting other farmers how to build drying equipment which has become an additional source of income for the Cooperative,” says Mr. Tolomushev.*

The agricultural sector accounts for almost 20% of the Kyrgyz Republic’s GDP and apricot farmers in Batken export approximately 20,000 tons of apricots annually. Alysh Dan cooperative with 1200 members, accounts to 500 tons of that total volume.

*The USAID Agro Horizon project aims to raise smallholder farmers’ incomes by expanding markets and increasing the competitiveness of agricultural value chains. The Project increases employment in the agricultural sector, especially for women and youth, while improving the availability of nutritious foods.*

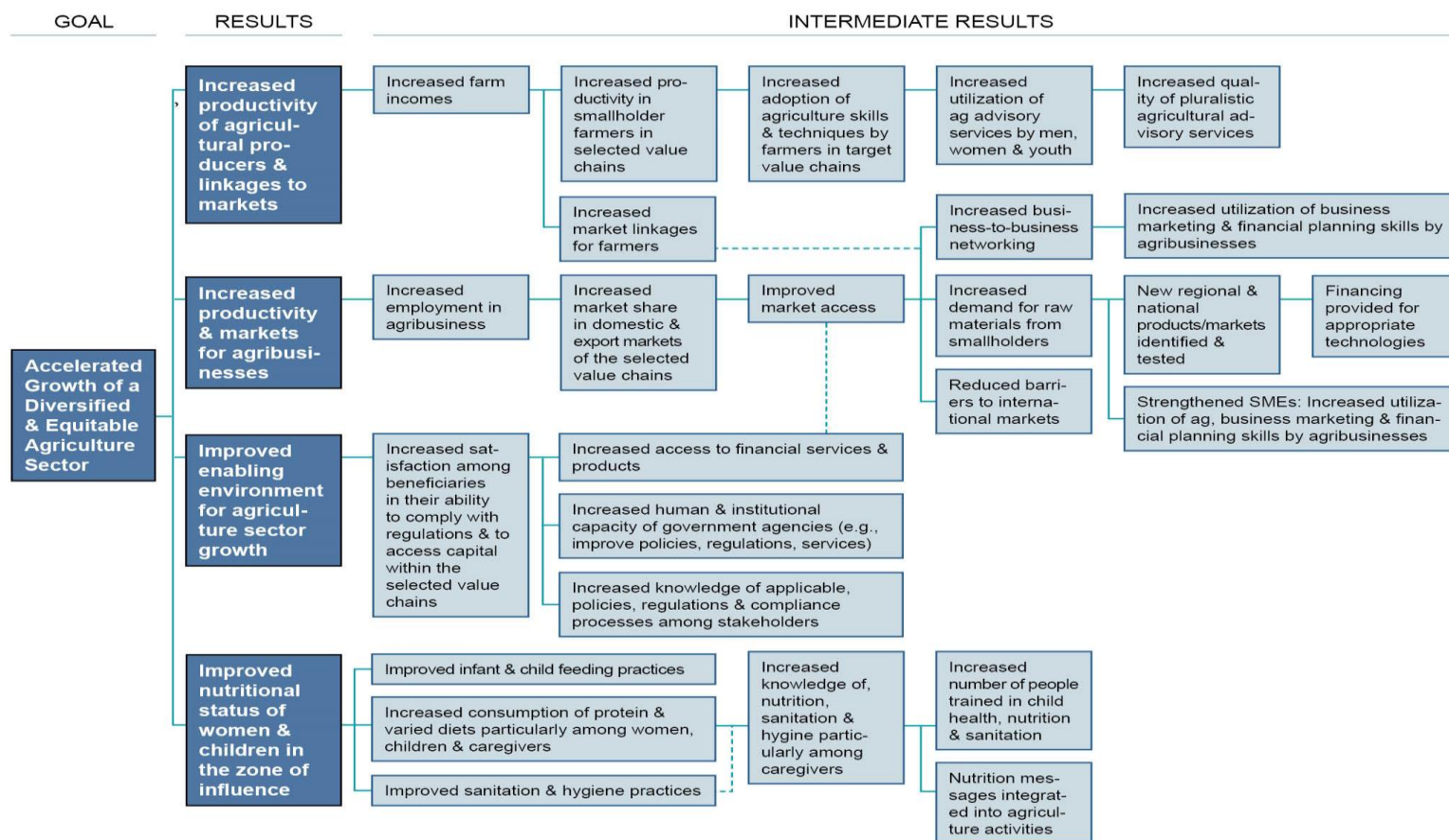
## Agro Horizon RESULTS FRAMEWORK

The Agro Horizon results framework describes the development hypothesis presented in this work plan. It shows cause-and-effect linkages between higher-level objectives, intermediate results, and the activities designed to achieve them. It also includes critical assumptions essential to successful implementation.

The Agro Horizon results framework illustrates how the project promotes changes in the target value chains to spur economic growth that increases incomes and reduces hunger, poverty, and undernutrition. Using a facilitative, market-systems approach, Agro Horizon will:

1. Increase agricultural productivity and link producers to markets
2. Increase productivity and markets for agribusinesses
3. Improve enabling environment for agriculture sector growth
4. Improve nutritional status of women and children in the zone of influence

## Agro Horizon Results Framework:





## II. IMPLEMENTATION

### A. Task I: Productivity of Producers and Market Linkages

#### TASK OBJECTIVES

Agro Horizon Task 1 activities focus on two interrelated activities—enhancing economic success of smallholders in target value chains and developing a pluralistic advisory services market to improve sustainability of benefits beyond the life of project.

#### ACHIEVEMENTS, PROGRESS TO DATE, AND DEVIATIONS

##### Activity 1.1: Identify Producer Groups for Project Participation and Elaborate Value Chain/Business Upgrading Plan

The project used two approaches to identify interventions, beneficiaries, and partners: 1) a systematic and participatory process at the *aiyl okmotus* (local municipality) level; and 2) catalyzing grants and contracts through the Project Fund.

**Systematic and participatory process:** At the *aiyl okmotus* (AO) level, contracted facilitators arranged informational meetings in selected AOs with the local municipalities, farmers, agribusinesses, and other stakeholders. Participants in these meetings identified problems and opportunities as well as existing producer groups and relevant agribusinesses in the target value chains. This included the four oblast-level stakeholder roundtables organized in the second quarter in Batken, Osh, Jalalabad, and Naryn, which brought together farmers, farmer organizations, agribusinesses, ABSPs, and local authorities. Through this process, Agro Horizon identified locations and designed project interventions to facilitate the identified upgrades in the target value chains.

**Early grant initiatives:** In the beginning of 2015, the project published a call for concept notes for interventions to be implemented during the 2015 agricultural season. The call was sent to 50 ABSPs and a number of cooperatives that were identified during the research of potential partners. The solicitation called for concept notes that focused on key topics identified by the project team as well as by local stakeholders.

In response, Agro Horizon received nearly 70 proposals for initiatives to enhance smallholder productivity and improve market linkages. The project issued six grant agreements and three subcontracts. Seven of them focus on fruit, vegetable, and berry value chains and are described under activity 1.2. Two address constraints in the input supply system and are described under activity 1.4. Three additional initiatives were initially selected and planned, but were rejected in Q4 for a variety of reasons in consultation with USAID.

The grantees and subcontractors identified beneficiary farmers through tested and participatory approaches such as informational meetings and talks with stakeholders in villages where the interventions were planned. At these meetings, the facilitators explained potential interventions and registered interested farmers for participation in the project.

The implementation period of these grants and subcontracts spans from spring 2015 through winter 2015, and, in two cases, through early 2016. Through these grants and subcontracts, Agro Horizon reached 2,965 smallholder farmers (more than half are women) with a combination of capacity building throughout the cropping season and facilitation of more profitable market linkages. An additional 3,736 farmers received information on improved production practices and market opportunities in vegetables, fruits, and berries through field days and exchange visits.

### Activity 1.2: Increase Smallholder Productivity in Selected Value Chains

The following seven initiatives aim to improve farm incomes through improvements in productivity and market linkages:

| Grantee/<br>subcontractor                      | Topic  |
|--|--|
| RAS Jalalabad                                  | This initiative introduced 150 smallholders in Jalalabad oblast to strawberry cultivation and marketing. The project provided runners and transport boxes, and the grantee provided a series of trainings and consultations throughout the season. The strawberries were sold in the fresh market and to a local processing company. Many of the beneficiary farmers processed part of the strawberries at home.   |
| TES Center                                     | This intervention supported the cost of seed potatoes for multiplication as well as training and coaching services to specialized seed producer farmers.   |
| TES Center                                     | This initiative focused on the improvement and certification of fruit tree nurseries, including training and coaching of nursery farmers, facilitating certification of nursery plants for better marketing, and supporting the development of an association of nurseries.  |
| Hi Tech  | 280 farmers in Batken received training and consultations on apricot orchard management and improvement of primary drying, packing, and storage of apricots for delivery to three local processors.  |
| TAIC (Training Advisory and Innovation Center) | This initiative improved the quality of vegetables, fruits, and berries for delivery to processors and fresh markets in Osh and Batken. Instead of training every farmer, TAIC trained and provided consultations to group leaders, who in turn trained and supported farmers. This approach helped to reach and support 900 farmers throughout the season, at reasonable cost. The grantee also facilitated delivery contracts with vegetable processors and linked farmers to various fresh fruit and vegetable markets. |
| RAS Batken                                     | The grantee provided season-long training programs for 550 farmers growing vegetables, apricots, and apples in Batken combined with facilitation of market linkages with processors.   |
| RAS Osh  | This subcontract improved and expanded vegetable cultivation in two mountainous rayons of Osh oblast (Kara Kulja, Alai) with 465 farmers who are mainly women. The subcontractor also facilitated linkages to more profitable local markets. Promoting vegetable production in these areas also increased their consumption, which in turn resulted in improved nutrition.   |
| RAS Naryn                                      | This subcontract improved and expanded vegetable cultivation in Naryn and in Toguz Toro rayon (Jalalabad) with 350 farmers, most of whom are women. The subcontractor also facilitated linkages to more profitable local markets. Promoting vegetable production in these areas also increased their consumption, which in turn resulted in improved nutrition.  |

|             |  |
|-------------|--|
| Bio Service | Through this grant, 200 women farmers in Jalalabad planted raspberries in home gardens and learned how to grow them according to organic principles. The first training on organic farming was conducted in September 2015. The remainder of the grant activities will be implemented in Year 2. |
|-------------|--|

Through these initiatives, almost 2,000 smallholder farmers have been reached. Most of the initiatives employ approaches that have proven successful in the Kyrgyz Republic, such as enhancing vegetable productivity and facilitating delivery contracts with buyers. All initiatives include a season-long training and consultation program with technical and economic topics for the beneficiary farmers, facilitation of market linkages, and accompaniment in the actual marketing. Some were coupled with some subsidized investments in planting materials and, in one case, fertilizer. Outreach activities such as field days, TV broadcasts, and newspaper articles are included in all of them.

All of the above initiatives have been or are being implemented as planned. The results in terms of yields, profits, and relevant insights will be available in November/December (except Bio Service grant). For challenges with respect to marketing linkages, see section 1.3.

In May, at the request of the Ministry of Agriculture and the local authorities of Aravan, Agro Horizon organized a **national agricultural field day** in Aravan rayon (Osh). One hundred eighty-four representatives of the government and farming community from all over the country—15 percent of them women—participated in the event, which included visits to farms growing early vegetables and fruits, and engaging in greenhouse production. The Aravan experience is an excellent example of how advisory services, in conjunction with affordable credit (in this case mainly through local NGO Mehr Shavkat and its agricultural team) can effect substantial positive change in the farming system and livelihoods and support local economic growth within a fairly short time frame. We intend to use the Aravan experience to help the government of the Kyrgyz Republic (GOKR) design a strategy for advisory services, which are important for developing rural areas and agricultural production.



Farmers harvest cabbage during the National Field Day in Aravan Village, Osh Oblast.

The project laid the groundwork for **foundational agricultural training** on topics such as soil fertility, integrated pest management, water management, and livestock health to address the generally insufficient knowledge of the majority of small farmers of basic agronomic, irrigation, and veterinary practices. This training will be offered during the less-busy summer and winter months of Year 2. At the end of Year 1, the project invited select qualified trainers to submit tenders for the provision of training and awarded a contract to the Union of Water Users' Association (WUA).

The last quarter of Year 1 included **preparatory work for Year 2 interventions** to accommodate changes in target value chains. The project team supported the international short-term consultants Nico van Wageningen and Paul Schoen in conducting the **feasibility assessment of winter milk production**. The consultants analyzed dairy processors, supplying farmers, feed suppliers, and the animal-hides value chain. The team analyzed several years' worth of data on milk prices, sales and yields, silage production, and other variables. The consultants created an inventory of breeding farms in Chui that could supply heifers of good genetic quality. They recommended piloting a winter milk activity with a group of commercial dairy farmers. This activity will be implemented in Year 2.

Planned support to improve management practices of producer organizations has been postponed until Year 2 during winter, when farmers have more available time. Support includes investment planning to improve their assets,—e.g.,



purchasing of equipment, establishing collection-point warehouses, establishing a revolving seed or input fund, purchasing equipment for processing, and the like.

### Activity 1.3: Facilitate Market Linkages

With the aim of **linking demand** for produce from companies in Russia and Kazakhstan with Kyrgyz farmers, the project hired the Contracting Centre in February to organize and facilitate a trade platform event for farmers, processing companies, and fresh-produce buyers from all three countries. Held in Osh, this event focused on fruits and vegetables and was attended by 42 companies, 30 of which were agricultural produce buyers from Kazakhstan and the Kyrgyz Republic. Thirteen cooperation agreements and eight supply contracts were signed as a result of the event. Contracting Centre organized a similar trade platform event in Naryn in June. Fifty-nine participants attended, representing agricultural producers, processors, trading companies, finance institutions, ABSPs, and local governments. This type of event was completely new for Naryn and began the process of building partnerships and linkages between value chain actors. Participants recommended holding similar events on a quarterly basis, with a particular focus on specific value chains, such as potatoes and milk.

Facilitating linkages between beneficiary farmers and markets exposed challenges. An initiative focusing on berries, vegetables, and apricots for processing and fresh markets found that it was difficult to facilitate delivery contracts between farmers and processors, because the market prices for fresh vegetables were quite high and the processors faced uncertainty concerning their export markets as a result of the Kyrgyz Republic joining the Euraisan Customs Union. Consequently, farmers preferred to sell their produce at the fresh market rather than agree to the lower prices that the processors are able to pay.

An initiative on promotion of tree care and primary drying of apricots in Batken expected participating farmers to deliver good-quality, on-farm-dried apricots to the three processing lines existing in Batken; however, a hard frost in April resulted in low volume of dried apricots and subsequently the closure of one of the processors. Another one of the processors was not in a position to purchase dried apricots from the farmers as planned, due to lack of working capital. Ultimately, 139 tons of primary dried apricots were delivered to processing companies.

Agro Horizon postponed the **inventory of existing mechanisms for market linkages** in the target value chains to Year 2. Further, Agro Horizon planned to conduct an analysis of the current state of the diverse market information systems in the country, including use of and access to market information by different categories of farmers. This has also been postponed to Year 2.

### Activity 1.4: Improve Access to Farm Inputs and Services

To improve access to farm inputs and services, Agro Horizon supported the Agro Expo, an annual agricultural exhibition with a focus on seeds and other inputs, organized by the Association of Agribusinessmen of Kyrgyzstan in Osh. Farmer leaders and representatives attended the AgroExpo in February. Farmers, including female farmers, learned about new varieties and qualities of seeds, chemical and organic fertilizers, and agricultural equipment (e.g., for drip irrigation and greenhouses). Many farmers purchased seeds at the exhibition or established contacts with local representatives of the participating companies.

Among the Year 1 grants, two aimed to improve access to farm inputs in key value chains. The grants, implemented by



Farmers learn about new apple varieties in Aravan Village, Osh Oblast.

TES Centre, were as follows:

1. Established quality seed potato multiplication with 10 specialized farmers in the mountainous rayon of Chong Alai and linked them with buyers of the quality seed potatoes. This enhanced the availability of quality seed potatoes in the Alai and Chong Alai region and for early potato growers in lower-lying areas of Aravan and Kara Suu.
2. Worked with 60 nursery farmers to improve the quality of fruit tree saplings in Kadamjay, by establishing a certification mechanism for fruit saplings and initiated the formation of a nursery farmers' association.

Through the survey of stakeholder needs and priorities, coupled with interviews of stakeholders under the Access to Finance assessment (described more under Task 3), the project team developed a comprehensive understanding of producer organizations' **need for financial services**. Additionally, Agro Horizon encouraged microfinance institutions (MFIs) to participate in the Agro Trade Platforms and the Agro Expo, held in February and June 2015. Participating MFIs conducted consultations with potential clients and described their existing banking products, including loans, deposits, and transfers. The project's finance activities are discussed under Task 3.

### Activity 1.5: Build Capacity of ABSPs

As a first step toward **building the capacity of ABSPs**, the project team prepared an inventory of existing information and learning materials, including nearly 320 booklets, leaflets, manuals, and other materials. An additional 25 publications are promised by various organizations, but not yet entered in the database.

As a basis for working with ABSPs, Agro Horizon identified and collected basic information of all advisory service providers working in agricultural and rural development. Around 40 organizations engaged in the provision of rural and agricultural advisory services, of which at least 35 were active in Agro Horizon's zone of influence. Roughly 12 organizations provide an estimated 75 percent of the advisory services in the project area.

On April 28, a roundtable workshop with all key advisory service providers and relevant government representatives was conducted to jointly identify constraints and capacity gaps in the agricultural/rural advisory service system and to suggest ways to overcome them. The roundtable revealed the need for a more in-depth understanding of the advisory services system.

In order to design ABSP capacity-building interventions and provide inputs for all other subactivities of Activity Areas 1.5 and 1.6, Agro Horizon conducted an in-depth study to collect information, data, and views from service providers, farmers and their organizations, government at all levels, donors, universities, and research institutions. By the end of Year 1, over 100 interviews were conducted. The study will be completed by the end of October 2015.

Additional capacity-building support was provided to ABSPs that were awarded catalyzing grants. All awardees participated in trainings of trainers (TOTs) on hygiene and sanitation in coordination with Task 4. Further, grantees strengthened their project management capacity with Agro Horizon's strict and accurate reporting and documentation requirements for milestones.

The Year 1 plan included a review of existing and past coordination and sharing mechanisms in the agricultural development sphere and an assessment of strengths and weaknesses. It involved ABSPs, the government, and other relevant stakeholders, and resulted in the determination of a unified and sustainable coordination mechanism. Instead of a separate review, this issue is being addressed in the **advisory service system study that is currently being implemented by the Task 1 team**. Follow-up stakeholder discussions and concrete actions toward a sustainable coordination mechanism will take place in Year 2; the project will work in close collaboration with the Task 3 team to set up this mechanism.

Agro Horizon determined the strengths and weaknesses of the various existing agricultural information web platforms. To this end, a meeting was held with GIZ's Natural Resource Management Project to learn about the K-LINK tool to search and access relevant information platforms. Further actions on this task have been postponed to Year 2.

### Activity 1.6: Strengthen the Advisory Services Market

Agro Horizon postponed the development of an agribusiness service (ABS) strategy, including a mechanism for public investments in ABS provisions, until after parliamentary elections in Year 2. An approach and plan to build government capacity at the municipal and rayon levels in cooperation with ABSPs and to manage ABS contracting was also postponed to Year 2, as it would be preferable to ground it in a government ABS strategy.

Agro Horizon pursues a dual approach to **diversification of ABS models**. The project promotes partial user or value chain actor payments for ABS to support producers' organizations and other value chain stakeholder productivity and competitiveness improvements. The Year 1 grants included a requirement that users provide some payment in cash. The initiatives that link farmers with processors include a fee to the ABSP per volume supplied to processors; in one initiative an input supplier pays the ABSP a fee per value of inputs sold to farmers. Although this is a step toward greater sustainability, these user payments are far too low to cover the cost of the services. Most ABSPs believe that farmers' payments will only cover a small proportion of actual costs. They see more potential if they cooperate with agribusinesses and get paid for services by them.

Agro Horizon uses its regular interaction with producers, agribusinesses, and other stakeholders to identify alternative service provision models such as embedded services, independent rural business advisers, and other user/value chain actor payment models. Some advisory stakeholders propose to work with existing territorial farmer organizations (WUAs, pasture committees, associations of private veterinarians, community seed funds, cooperatives, etc.) on advisory service provision and build the capacity of their representatives to provide everyday simple advice and liaise with professional advisers for complex issues. In Year 2, we will decide which alternative service provision models the project should promote and in which way.

## B. Task 2: Increase Productivity and Markets for Agribusinesses

### TASK OBJECTIVES

The objective of Task 2 is to increase the competitiveness of agricultural small and medium-sized enterprises (SMEs) in target value chains, improve market access, and facilitate trade. Agro Horizon works with actors in selected value chains to strengthen professional associations and encourage and support linkages to farmers.

### ACHIEVEMENTS, PROGRESS TO DATE AND DEVIATIONS

#### Activity 2.1: Increase Competitiveness of Agribusinesses

Working with agricultural SMEs to develop strong supply chains that reach smallholders in the targeted geographical areas, Task 2 activities in Year 1 began to set the foundation to enable these SMEs to become more viable by increasing sales and profits. Task 2 identified SMEs and business development service (BDS) providers; developed a capacity-assessment methodology of SMEs; and facilitated business-to-business relationships among agricultural producers, input suppliers, processors, and buyers, as well as between SMEs and BDS providers through matchmaking events, exhibitions, and grants. **These activities involved 318 households, 64 SMEs, and 757 individuals.**

During the start-up phase, Agro Horizon defined target SMEs and elaborated flexible intervention approaches and methodology that were modified throughout the year.

To identify **catalyzing grants opportunities**, Task 2 initiated a call for proposals to 70 ABSPs, BDS providers, SMEs, and other supporting organizations, like associations and cooperatives. A total of 163 proposals were received. After a review of the proposals six grants were awarded, three of which focused on increasing the competitiveness of SMEs and facilitating market access in the fruit, vegetable, and berry value chains. The following table details Task 2 grants:

| Recipient                   | Purpose of the Grant  |
|-----------------------------|---|
| Agro Trade Platform – Osh   | Promoted closer links between value chain actors, facilitated sales of agricultural products, and achieved a pull effect to generate market and employment opportunities along the whole value chain. Forty-two participants attended, representing agricultural producers, processing, trading companies, BDS providers, local government actors, input suppliers, and transportation companies. As a result of this one-day event, producers and potential buyers signed 13 cooperation agreements and eight agricultural-products supply contracts, totaling KGS 21 million. |
| Agro Trade Platform – Naryn | Similar to the event in Osh, the Agro Trade Platform took place in Naryn at the end of June. Fifty-nine participants attended, representing agricultural producers, processing, trading companies, finance institutions, agricultural service providers, and local government. This was the first event of its kind in Naryn. This further developed target value chains and brought together value chain actors in Naryn.  |
| Agro Expo Exhibition        | Promoted closer links between value chain actors and facilitated sales of agricultural products. The Association of Agribusinessmen of Kyrgyzstan “Jer Azygy” implemented the grant. Thirty-nine companies exhibited their products and 164 participants attended from Osh, Jalalabad, and Batken, 30 percent of whom were women. The value of sales contracts signed during the exhibition totaled KGS 5.9 million, and retail sales during the event amounted to KGS 327,900.   |
| Kaplya Plus                 | Promoted effective use of water and land resources and facilitated closer links between input suppliers and farmers. Drip irrigation demonstration plots and trainings for farmers reached 239 farmers and representatives of local communities and organizations. Seven drip irrigation systems in demonstration plots increased the yield and incomes of vegetables plots from 100 to 150 percent—2.8 times higher than furrow irrigation. Similarly, fruit crop yield and income increased 30 percent compared to furrow irrigation.   |
| Batken Jemishi cooperative  | Improved the quality and marketing of dried apricots. Batken Jemishi cooperative received trainings for 12 cooperative members on international quality and food safety standards, technical regulations, and certification procedures of the Eurasian Economic Union (EAEU). The results of this activity included new packaging for dried apricot and EAEU’s certificate of product conformity.   |
| Alysh Dan cooperative       | Supported the Alysh Dan cooperative in new methods of drying organic apricots to increase productivity and promote food safety standards in the dried apricot value chain. New solar tunnel drying equipment was installed and 114 units were made and  |



|  |  |
|--|--|
|  | disseminated to 74 cooperative members. In July, Alysh Dan conducted a demonstration day on the new apricot drying technologies, which was attended by 79 representatives of local communities, farmers, and local government. |
|--|--|

Task 2 completed a screening and **assessment of existing SMEs and BDS providers** acting in target value chains in the zone of influence. Information was collected from local government offices and BDS providers, national government statistic information, roundtables, and meetings and entered into a database that houses detailed information on 90 SMEs and 19 BDSs.

Once SMEs and BDS providers were identified, diagnostic methodology and organizational and production capacity assessment tools were developed. These tools were later used to conduct a pre-assessment of dairy SMEs for a winter milk model. The Task 2 team identified all active dairies and feed-mills in the zone of influence and developed pre-assessment methodology including, data collection tools and forms to capture criteria of dairy processors. The team conducted a pre-assessment of needs, production, and organizational capacities of sixteen short-listed SMEs in Osh, Batken, and Naryn oblasts. An assessment report rated these SMEs and provided recommendations on potential partners for the winter milk model was elaborated and used for SME selection.

Task 2 built the capacity of SMEs by supporting organizational development and capacity-building initiatives. Recent examples include creating contractual relationships between SMEs and suppliers of raw materials at trade events such as Agro Trade Platform and the 11<sup>th</sup> Agro Expo Silk Road 2015; increasing efficiencies in production with better fruit-drying capacity using efficient solar-powered technology; and developing new products and packaging for a dried apricot company, Batken Jemishi.

The original work plan called for training SMEs in target value chains based on a ranking of their capacity level (basic, intermediate, and advanced) and piloting a voucher system for BDS providers. However, these activities have been postponed because other approaches are more likely to be effective taking into account that the voucher system can only be sensibly implemented in coordination with all concerned actors. These interventions may be considered for Activity 1.6 in Year 2 or later if the ABS system assessment confirms their viability.

Five events were conducted to **stimulate investments** in target supply chains. Task 2 organized the Agro Trade Platform in Osh and Naryn, the Agro Expo Exhibition in Osh, and the Annual International Business Forum in Jalalabad and Naryn. These events resulted in numerous supply contracts and memoranda of cooperation that will lead to an increase of investments in target value chains. Eight supply contracts and 13 cooperation agreements were signed. The Agro Expo Exhibition in Osh also created linkages among value chain actors. Sales contracts signed during the exhibition totaled KGS 5.9 million and retail sales at the event amounted to KGS 327.900. Investors at the First International Business Forum in Jalalabad signed eight important contracts to develop the local economy.

The strategy for Task 2 included direct contracting of ABSPs by SMEs to provide capacity-development services for farmers cooperating with those SMEs. It was postponed, however, because it was necessary first to assess the poten-



Farmers and SMEs present their products at the Investment Forum in Naryn.

tial of those SMEs and their readiness to take on responsibility, and it was necessary to assess the potential of ABSPs to provide quality service.

Overall, agriculture-related SMEs face challenges selling products on the local and international markets because of low-quality products, old processing technologies, and poor marketing. Of the six quick-start initiatives, two grants focused primarily on improving product quality and marketing efforts, both in the apricot value chain. The first grant applied new apricot drying technology using efficient solar-powered equipment that significantly reduced drying time (from 10-14 drying days down to three days) resulting in higher quality, less loss to spoilage, and increased profitability. The second grant expanded its product line of dried apricots to include compote mixtures. New packaging designs and sizes increased product visibility on store shelves. To bring its products in line with industry standards and gain access to retail chains in export markets, the grantee obtained barcodes for 19 products and obtained an EAEU declaration of conformity.

All trainings conducted in Year 1 through Task 2 supported the small businesses of women and youth in target value chains through the integration of water, sanitation, and hygiene (WASH) trainings.

## **2.2: Improve Market Access and Trade Facilitation**

The objective of Activity Area 2.2 is to identify and test new regional and national market possibilities for selected value chain products to include the high-demand export markets of neighboring Kazakhstan and Russia and potential markets such as Eastern Europe, Turkey, and the Middle East. Initial plans included activities to strengthen trade information systems and trade promotion strategy; support businesses of women and youth; evaluate support for national certification capacity building; develop ABSP delivery of standards assistance; and assist export-ready firms. The revised work plan pushed back these activities to later years when SMEs are stronger and better positioned to take advantage of realistic international market opportunities.

The Agro Horizon work plan was revised in Q4 and **Year 2 planning activities** began with the selection of six value chains: apricot, potatoes, nursery, winter milk, onion, maize. Pre-assessments of the apricot and seed-potato value chains were conducted. Research identified producers, processors, and traders within the value chains, as well as trade flows and bottlenecks. The initial findings supported the design of a development model for apricot and seed-potato value chains for the Y2 work plan.

SOWs for Year 2 short-term technical assistance were drafted for 1) market analysis for onion, nursery, and maize value chains and identification of market opportunities; and 2) a needs assessments of milk processors and recommendations for capacity building and technical assistance.

## **C. Task 3: Enabling Environment**

### **TASK OBJECTIVES**

The objective of Task 3 is to improve communication between the GOKR and key stakeholders in the agricultural sector to advance the policy and regulatory environment so that it is favorable to local production, private investments, and international trade. Furthermore, human and institutional development and reforms of key actors in the agricultural sector, including private sector organizations and financial institutions, are priorities.

## ACHIEVEMENTS, PROGRESS TO DATE, AND DEVIATIONS

### Activity 3.1: Support Institutional Reform

In Year 1, Agro Horizon Task 3 team established a significant foundation for work in this area. An institutional gap analysis assessed existing institutional capacities and needs within relevant agencies involved in the agroindustrial sector of the country. In particular, Agro Horizon and AIRD teams met with GOKR representatives, including the Ministry of Agriculture (MOA), the Ministry of Education, and the National Bank. They also met with representatives of private sector associations and with representatives of academia, including the Institute of Public Policy and Administration of the University of Central Asia and Kyrgyz National Agrarian University. Two specific institutional development recommendations came out of these meetings: a capacity-building plan for the MOA Policy Unit and a capacity-building plan for the private sector within the agroindustrial complex. The interaction of relevant agencies was also assessed to strengthen interagency collaboration.

The MOA assessment included a brief functional analysis of its departments and divisions and found that policy development capacity is not only weak but the existing system does not allow for efficient and effective development of strategies and the policies that support them. Several factors contribute to this lack of capacity. There is no central policy development and coordination unit within the MOA. In principle, the Agrarian Policy and Forecasting Division (APFD) has primary responsibility for policy analysis and providing policy-related information for the decision-making process of MOA; however, APFD has limited capacity for policy development or coordination and is severely overburdened with responsibilities for data collection and forecasting. Moreover, communication and coordination between different departments of the MOA are very weak, with each department engaging only in its narrow area of focus. For instance, the Seed Production Division tries to respond to policy issues related to the seed industry, but with little coordination with APFD or any other relevant ministry departments, despite the fact that policy issues that affect the seed industry may also have substantial implications for other aspects of the ministry's work. Land leasing policy is one such issue, but the Seed Production Division is focused on a narrow policy agenda that would only affect the seed industry.

Agro Horizon developed a plan to establish a high-level interagency Agricultural Policy Working Group (APWG), with particular attention paid to strengthening relationships among relevant agencies, including local administrations, private sector associations, and international donor agencies. The APWG will play a key role in the formulation of the Agricultural Development Strategy, as well as relevant operational budgets, policies, and regulations. It will oversee



Opening Speech by the Minister of Agriculture, Taalaibek Aidaraliev, during the National Field Day in Aravan. Osh Oblast.

implementation and enforcement, and communicate the results of this oversight to top decision makers in such areas as standards certification, customs, tax collection, trade facilitation, marketing, and input pricing and delivery. In the context of this plan for building capacity within the MOA, it is assumed that the MOA's Policy Unit, which will have some administrative support for this task, will coordinate the APWG. This is in contrast to the alternative approach, which envisions the APWG being based within the Prime Minister's office with a larger administrative and technical staff.

In the second quarter, Agro Horizon received an official letter of request for technical assistance on restructuring and optimization of the struc-

ture of MOA from the First Vice-Prime Minister of the Kyrgyz Republic, Mr. Sarpashev. As the request from GOKR was directly in line with the Agro Horizon strategy on improving the enabling environment and supporting institutional reform and human capacity development, Agro Horizon established an Experts Group on Optimization of Structure of the MOA.

The Experts Group on the Optimization of the Structure of the MOA completed and presented the final report on the newly optimized structure of the MOA to Mr. Adaraliev, Minister of Agriculture, and to Mr. Jeenaliev, Head of Department of the Agroindustrial Complex of the Prime Minister's Office in July 2015, and to Mr. Sarpashev, the First Vice-Prime Minister in September 2015.

### **Activity 3.2: Simplify Enabling Environment**

In order to simplify the enabling environment, the Task 3 team conducted a desk study that summarized many of the distortions agricultural enterprises and agroprocessors face in the Kyrgyz Republic. The desk study included research materials from USAID, the Asian Development Bank, the World Bank, the European Bank for Reconstruction and Development, the United Nations Food and Agriculture Organization, the World Trade Organization, as well as the National Sustainable Development Strategy. The results of the desk study were used as a basis for further development of institutional reform and elaboration of the Agriculture Development Strategy.

Agro Horizon plans to build links among relevant agencies within the GOKR, civil society organizations, and private sector organizations to form a roadmap for legal, regulatory, and operational reforms for policy advocacy through agricultural industry associations. The roadmap is postponed to the Project Year 2.

### **Activity 3.3: Advance Pluralistic Advisory Model**

As part of the stakeholders meeting held in February 2015, Agro Horizon solicited ideas from 150 potential partners on a broad array of potential project priorities, including improving the capacity of ABSPs. Agro Horizon, in coordination with the MOA's Policy Unit, organized a joint-stakeholder review of the current coordination and sharing initiatives in the agriculture development sector. Agro Horizon provided technical assistance to determine the strengths and weaknesses of existing and potential agricultural information web platforms. The project also conducted a series of roundtable discussions (with Task 1) to share the results and agree on how to implement a sustainable platform that will remain viable beyond the life of the project.

Agro Horizon conducted research to assess what influence the rayon and AO levels have to facilitate or hinder the growth in the target value chains and examined the role that they play in developing, managing, and supporting the network of local ABSPs. Pilot trainings for appropriate local government actors will take place in Year 2.

### **Activity 3.4: Increase Financial Products**

In Year 1, Agro Horizon conducted a **supply-side assessment** and provided recommendations for appropriate financial products, services, and risk mitigation strategies required by financial institutions active in target value chains. Additionally, the project prepared a database of financial institutions that are involved in agricultural lending and researched their financial products and services. The project assessed the gaps between existing products and services and the needs, demands, and opportunities of beneficiaries identified during the value chain analysis and gender analysis. It focused on the supply side, analyzing the gaps between “what is” and “what should be” in terms of financial product offerings. It utilized the USAID Agricultural Lending Toolkit, among other tools, to guide interviews and analysis. Specifically, they assessed the capital needs for value chain upgrades (in particular, lead firms and SMEs) and synthesized these financing opportunities with the existing reality of the financial landscape into the key recommendations for the project intervention purposes.



Agro Horizon also conducted an **access to finance assessment**, designed to inform the project strategy and planning process and launch new activities. The analysis identified interested institutions with which to further develop and expand appropriate financial products and services for agricultural production, processing, trading, and related support services. The access-to-finance analysis and the resulting recommendations were integrated into the broader vision and strategy of Agro Horizon. Key stakeholder interviews were conducted focusing on the demand side of access to finance (particularly buyer-side SMEs and producer organizations), while identifying and overseeing a local financial sector expert to conduct a full supply-side financial landscape.

Agro Horizon researched potential financial institutions that currently engage in, or have a strategic interest in, agricultural lending. The following local commercial banks and microfinance institutions were studied: Aiyl Bank, Bank Bai Tushum, FINCA Bank, Demir Kyrgyz International Bank, AKB Kyrgyzstan, KICB, Optima Bank, Bakai Bank, RSK Bank, and Bank of Azia. Microfinance institutions were also studied, including First Microcredit Company, OXUS, Companion, MCC Credit Solutions, Elet Capital, and Agrofinans. The top tier of the smaller credit unions, those that receive assistance in professionalizing their operations, will also provide a means of expanding rural outreach to producer groups.

Based on the results of the **financial services assessment**, which found significant opportunity to promote mobile money initiatives, Agro Horizon researched the inclusion of mobile money service providers such as KICB (and their mobile money product, Elsom) and/or Kyrgyzstan Bank in order to expand the provision of mobile services and electronic payment systems to rural areas. The project initiated a set of meetings with the National Bank of Kyrgyzstan (NBKR) and several mobile wallet/mobile payment firms such as GeoPay to develop the regulatory framework to promote these systems that could lead to establishing standards of liquidity and solvency, capital requirement, and interest rate policy. By using the mobile money system, payments for goods and services (including loans) could be simplified, made more transparent and safe, and result in lower cost for farmers.

In Q 4, the Task 3 team initiated work with Demir Bank under the USAID-funded, agriculture-focused Development Credit Authority contract and met several times with its top management and representatives to discuss potential areas of collaboration. As a result, Agro Horizon began short-term technical assistance to the bank on developing its Environmental Policy, but changes in project priorities put these activities on hold.

### **Activity 3.5: USAID Forward/HICD**

Agro Horizon researched and developed a set of standardized approaches and tools to support its performance improvement activities with various local partner organizations, including local civil society organizations/NGOs, private sector organizations, and the MOA. Agro Horizon worked closely with the USAID Good Governance and Public Administration Strengthening (GGPAS) program to learn about its Human and Institutional Capacity Development (HICD) approach, methodologies, and tools. The program also researched other USAID projects' HICD methodologies, the USAID HICD Handbook, the USAID Model for Sustainable Performance Improvement, and the USAID Organizational Capacity Assessment tool.

The project prepared the following tools: the simplified Agro Horizon Organizational Capacity Assessment Tool for USAID Forward/HICD, Agro Horizon Organization Selection Criteria for identification of local partner organizations for USAID Forward/HICD, and the Scope of Diagnostics which includes Organizational and Institutional Areas.

In particular, Agro Horizon and GGPAS agreed to collaborate on the following \*:

1. Conduct a functional analysis of the MOA. GGPAS would help to conduct an inclusive functional analysis of the MOA's Central Apparatus to help optimize efficiency within the new structure, and Agro Horizon would

implement identified solutions resulting from the analysis, including implementation of the capacity-building plan.

2. Establish a high-level interagency APWG. GGPAS could potentially engage international human and institutional capacity development short-term technical assistance to help an APWG develop clear terms of reference, policies, procedures, and processes to maximize effectiveness. GGPAS's assistance would relate to management and operational aspects of the APWG and Agro Horizon would focus on policy and technical aspects.

\*both activities are pending as a result of the denunciation of the Bilateral Agreement between GOKR and the U.S. government.

Two Agro Horizon project team members participated in the HICD conference “Focus on People and Performance: Beyond Training to Organizational Results,” which was held in Istanbul, Turkey, and organized by the International Society for Performance Improvement (ISPI EMEA 14th Annual Conference). The participants attended various sessions led by high-caliber experts and met with human performance improvement experts, consultants, and professionals from 13 different countries.

To share knowledge gained in HICD, Task 3 participated in a one-day HICD workshop called “Building a Performance Improvement Community of Practice #5: HICD Solutions.” The workshop included up to 70 participants, who represented private sector consulting firms, non-for-profit civil society organizations, academia/universities, agriculture business service providers, members of the Union of Water Users’ Associations, members of the Union of Cooperatives, private local consultants, etc.

To further develop the capacity of local partner institutions, GGPAS has year-long Professional Development Program (in 2015 - 2016). Agro Horizon nominated six people from its local partner organizations Union of Water Users’ Associations, Union of Cooperatives of Kyrgyzstan, TES Center, Training, Advisory and Innovation Center, Rural Advisory Services, Association of Fruits and Vegetables Enterprises) to participate.

## **D. Task 4: Nutritional Status of Women and Children**

### **TASK OBJECTIVES**

The objective of Task 4 is to narrow the gap between available and accessible food and the food needed for a healthy and balanced diet. Agro Horizon addresses the utilization dimension of food security and nutrition, and tailors nutrition messaging for both women and men. In the second quarter, the project focused on targeting advisory and business service providers, producer groups, and farmers with nutrition messages, and coordinated with USAID’s Strengthening Partnerships, Results, and Innovations in Nutrition Globally (SPRING) project to target caregivers from the same households as agriculture beneficiaries so that households hear the same nutritional messages from a variety of sources.

### **ACHIEVEMENTS, PROGRESS TO DATE AND DEVIATIONS**

#### **Activity 4.1: Integrate Appropriate Nutrition Messaging into Agricultural Activities**

Agro Horizon coordinated the development of a cascading training approach with stakeholders to consistently communicate messaging. The goal was to pair customized nutrition messages with agricultural messages to give farmers a context to which they could relate. Agro Horizon used ACDI/VOCA’s nutrition-sensitive agriculture methodologies

and the nutrition-sensitive agriculture (Nutri-SAT) toolkit. The toolkit's five components determine the best entry points for nutrition improvement within the program. When used together, the components give a more comprehensive picture of food purchasing and consumption practices of target beneficiaries and their families.

The Nutri-SAT desk review recommended a series of focus group discussions to investigate the general dietary diversity of people in different areas (mountainous and plain) and analyzed gaps between potential and actual availability of foods at the market in order to improve the nutritional status of women and children. Agro Horizon ensured geographic diversity of seven focus group discussions in rural Batken and Osh oblasts and Jalalabad city (the latter was used as an urban comparison). Selection criteria included multiethnicity; monoethnicity; mountainous location; plains location; remote border town; and distance to a central market. Research already existed in Naryn and the Jalalabad oblast from the USAID SPRING project.

Each focus group had 7–11 women varying in ages from 18 to 60. Questions focused on typical winter and summer diets, preservation and storage habits, how long stores last, food purchasing gender dynamics, prevalence of multigenerational homes, and desire and barriers to growing home fruits and vegetables. Results of the focus group discussion helped determine interventions and accompanying messaging related to diet diversity and home gardening.

The focus group discussions revealed that there is little difference in diet among people in Batken and Osh, despite diverse ethnicity and geography. There is some variation in availability revealing that nutrient-dense foods may be less readily available in some locations. Food allocation within the household varies by location. Interestingly, no one was able to identify foods that contained key vitamins and minerals. Overall, there is a need for continued messaging about nutritious food sources and budgeting.

The next phase included the cost-of-diet analysis, which started in Year 1 and will finish in October 2015, when the resulting data will be analyzed.

The nutrition team partnered with several actors in the nutrition field and established strong working relationships. A stakeholder meeting in the second quarter included a nutrition breakout session led by Agro Horizon. This session introduced Agro Horizon's nutrition-sensitive approach to representatives from the World Food Program (WFP), UNICEF, Scaling up Nutrition (SUN), and the Republican Center for Health Promotion to share information related to successes, lessons learned, and innovative approaches to improving nutrition in women and children in Kyrgyzstan.

Agro Horizon and the USAID SPRING project signed a memorandum of understanding to enhance coordination. One of SPRING's focus areas is supporting the integration of nutrition into ongoing activities of Agro Horizon, specifically to develop nutrition-related training materials and to train Agro Horizon staff and a limited number of stakeholders in using these materials. Additionally, SPRING provided technical support to develop nutrition-related messages appropriate to nutrition-sensitive agriculture and the Agro Horizon approach. Agro Horizon integrated SPRING's nutrition and WASH messaging into all training modules on WASH, dietary diversity, and home economics.

In coordination with SPRING, the nutrition team developed a **farmer-focused nutrition module** adapted to the needs of both men and women in varying oblasts. The module is designed to introduce the agriculture-to-nutrition framework for improving nutritional outcomes by aligning agriculture and health program inter-



Participants learn proper handwashing techniques during a WASH add-on training in Jalalabad.

ventions. SPRING initiated a workshop for 13 Agro Horizon staff members focusing on behavior analysis and behavior change strategy tools. These tools are used to identify and evaluate nutritional sensitivity when designing interventions.

Trainings on **home economics and dietary diversity** were planned for Year 1, but the SPRING modules and nutrition messaging were received later than expected, pushing the training into Year 2. The training module will incorporate the Scalable Tracker for Imparting Certified Knowledge and Skills (STICKS) tool, a portable messaging and tracking tool that reinforces the five critical stages of hand washing. The messaging poster was developed and approved at the Ministry of Health level for wider distribution.

The nutrition team distributed over 300 behavior change communication (BCC) materials on WASH messaging and zoonotic diseases at the International Business Forum "Jalalabad – 2015." The team introduced a poster of recommended proportions and components of a healthy diet.

#### **Activity 4.2: Promote Good Practices**

Further collaboration with SPRING includes a Kyrgyz cookbook featuring healthy recipes and basic nutrition information, with nutrition facts for target value chains. The audience is the target populations of both the SPRING and Agro Horizon programs. In Year 2, the cookbook will be pilot tested and modified before wider distribution.

Close cooperation with village health committees is planned for project Year 2.

The nutrition team collaborated with Task 3 to influence the enabling environment around the promotion of nutrition-sensitive agriculture. The SUN Alliance participated in the February stakeholder meeting and the nutrition breakout session. Nutrition team members continued to identify ways of collaborating with the SUN Alliance, including coordination efforts at workshops and conferences on SUN interventions and strategy development.

## **E. Value Chain Assessment**

In November 2014, Agro Horizon led a workshop and a series of field visits to target oblasts with value chain experts. The purpose of that research was to select the value chains and subchains or products, and propose project interventions to strengthen the value chains, service markets, and enabling environment in order to pursue the identified market opportunities.

Eight criteria were used to select the value chains. Each criterion for each potential value chain was rated on a scale from one to five, with five being the highest score and one the lowest:

1. Income Potential: Profitability & Risk at the Farm Level
2. Growth Potential
3. Importance to Food Security and Nutrition
4. Impact on Women: Gender & Youth Participation
5. Reach: Number and Distribution of Potential Beneficiaries
6. Relevance: Appropriate for Both Household and Commercial Farms
7. Potential for Intensification/Expansion
8. Potential for Project Success in Working to Mitigate Key Constraints to Value Chain Growth

As a result, the team identified primary (for initial interventions) and secondary (for later in the project) value chains in the fruit and vegetables, meat, dairy, and egg sectors in target oblasts. Primary fruit value chains included apricots and apples; secondary included cherries, peaches, black plums, raspberries, and strawberries. Primary vegetable value chains included greenhouse tomatoes and cucumbers and open-field tomatoes, cucumbers, potatoes, and onions. Sec-

ondary vegetable value chains included garlic, peppers, carrots, and cabbage. Other primary value chains included eggs, red meat (cattle), and cow and goat milk.

## **F. Environmental Compliance**

In January 2015, Agro Horizon hired a local environmental compliance specialist (ECS), Sultan Bakirov, to ensure that USAID environmental compliance procedures are integrated throughout all project activities. The ECS serves as a member of the grant selection committee to ensure timely detection of possible negative environmental impacts and determines mitigation strategies. During the reporting period, the ECS completed an environmental review of all 12 grants awarded by Agro Horizon. Environmental reviews included a checklist that followed the Environmental Monitoring and Mitigation Plan (FE/EMMP) that were approved by USAID Mission Environmental Officer. Agro Horizon included environmental compliance clauses in grant agreements and subcontracts. The ESC conducted a number of environmental monitoring visits to project sites to ensure that EMMP is followed and appropriate mitigation measures are applied.

At the same time, environmental compliance expert Susan Anderson reviewed the programmatic PERSUAP, which consists of two parts, a “PER” and a “SUAP.” The pesticide evaluation report (PER) section addresses the 12 informational elements required in USAID’s pesticide procedures. The safer use action plan (SUAP) puts the conclusions reached in the PER into a plan of action, including assignment of responsibility to appropriate parties connected with the pesticide program. The updated PERSUAP was sent for approval to USAID on May 20, 2015, and it was approved by September 9, 2015. Ms. Anderson developed the FE/EMMP that governs Agro Horizon environmental procedures. The EM/FEMMP was approved by the USAID Mission Environmental Officer in May 2015.

In Year 1, Agro Horizon provided support to Demir Bank to assist in the development of its environmental risk policy, part of the project’s commitment to support financial-institution access to the Development Credit Authority. An environmental risk policy was developed and instruction was provided on implementation. The draft policy is being reviewed by the legal and credit departments of Demir Bank before being submitted to its Board of Directors for approval. It is anticipated that work on the environmental risk policy will be completed by the first quarter of Year 2.

## **G. Project Grant Fund**

Agro Horizon’s budget includes a \$5.4 million Project Fund—a flexible mechanism to build local capacity, foster innovations, leverage resources, and stimulate private sector investment to address value chain constraints. The Project Fund serves as a smart subsidy to incentivize investments by the grant recipients, but not as a sole funding source. A portion of the Project Fund is used to contract ABSPs to deliver training and technical assistance to selected producer groups, agribusinesses, and other value chain actors. \$600,000 is earmarked for limited commodity procurements to support institutional development of government and private sector entities. Agro Horizon submitted the Project Fund Manual by December 30, 2014, and it was approved by USAID in August 2015. The Project Fund Manual outlines the grant and subcontracting mechanisms, and describes the conceptual design of the smart subsidy investments. KGS 8,582,300, or \$126,593 (using an average US dollar exchange rate of 67.7942 for the month of September 2015), was spent on catalyzing grants in Year 1. The total value of grantee contribution for Year 1 is \$47,675.

In the beginning of January 2015, Agro Horizon sent out a call for concept notes to 50 ABSPs and 70 BDS providers, SMEs, and other supporting organizations, which were identified during the research of potential recipients/awardees.

Task 1 encouraged submission of initiatives for enhancing small-farmer productivity and market linkages in the target project areas. As a result of this solicitation, around 60 proposals for initiatives aiming at enhancing smallholder produc-

tivity were received. After detailed evaluation, 13 applications were recommended for fixed amount awards and 6 grants and 3 contracts were awarded. .

Task 2 encouraged submission of business initiatives for developing the agricultural sector in target project zones, improving access to input suppliers, and increasing market access to producers and potential buyers. As a result of this solicitation, 163 proposals were received. After detailed evaluation, 23 applications were recommended for award, and 6 were awarded.

All applications were first reviewed for eligibility based on three criteria:

1. **Strategic:** The initiative must contribute toward one of the four main results areas of the project, increase productivity of agricultural producers, and link them to markets. It is important that the proposed initiatives contribute to both increasing productivity and improving linkages to markets.
2. **Simple:** The initiative must have clearly identifiable activities that can be started early in the agricultural season and that build on existing models. The activities should be easy to set up, the actors ready to mobilize, and the grantee in-kind contribution (leverage) be easily accessible and available.
3. **Stakeholders:** They should be willing and able to invest time and resources to conceptualize, design, and develop the activities together with the project team and start implementation immediately.

The grant activities were designed with Agro Horizon technical staff support and, once awarded, the technical team responsible for the component/activity, together with grant program staff, monitored the progress of the activity and the use of grant assistance for the intended purpose to ensure that specific programmatic results are met as outlined in each grant agreement.



# III. MONITORING, DATA COLLECTION, AND REPORTING

## ACHIEVEMENTS, PROGRESS TO DATE AND DEVIATIONS

### NARRATIVE

The Monitoring, Evaluation, & Learning (M&EL) department is led by the M&E Director, who oversees all aspects of the activity monitoring and evaluation plan (AMEP), which was approved in October 2015 at the end of Year 1. Supporting staff includes a Bishkek-based team consisting of a Regional M&E Manager, a Database Officer, three field-based oblast M&E Coordinators, and other members of the technical team.

Agro Horizon and ACDI/VOCA's M&E system supports accountability to stakeholders and learning to facilitate results-oriented program design and knowledge-based management. Year 1 of the project established systems, policies, and procedures to ensure the five critical functions of the Agro Horizon M&EL were achievable:

- Provide accurate measurement of achievements toward the project's objectives to key stakeholders, while documenting and disseminating achievements and lessons learned.
- Provide a management and learning tool that allows stakeholders to analyze progress, evaluate results, and quickly adapt activities as required.
- Contribute to good practice in development, testing new approaches, building on successes, and eliminating approaches that do not deliver results.
- Provide real-time information to allow the management to address any bottlenecks hindering progress or success.
- Ensure accuracy of data collected, continuously verifying and validating data, as well as reviewing the data management and reporting system, from data source to dissemination.

In the first half of Year 1, the M&EL team focused on **establishing systems and procedures** to manage and ensure data quality. With support from ACDI/VOCA headquarters, the process of establishing a management information system development plan and subsequent database began. A SharePoint management information system was designed to capture, manage, and analyze project M&E data. Throughout Year 1 of the project, the database design underwent a process of continual testing and modifying. The project database has both online and offline data-entry functionalities, allowing data entry to take place both at field and headquarters levels.

A **Data Management Manual** was developed that elaborates standard operating procedures and actions. Specifically, it ensures that, for each indicator, the six key processes in the data management chain are followed (i.e., data source, collection, collation, analysis, reporting and usage). Throughout Year 1 of the project, the M&E team conducted a series of trainings of staff, partners, grantees, and contracted organizations on best practices in data collection and management.

The M&E team designs all data collection tools and **trains and mentors** survey enumerators and other data collectors to collect and forward the data for processing, aggregating, and carrying out data-quality checks, before analysis

and use. Data collection tools were designed, piloted tested, and then modified as needed. The M&EL team conducted regular monitoring visits to the field to check the accuracy of reported data and the correct use of data collection tools. Through these visits, informal/refresher trainings were provided to those involved in data collection. Continual spot checks of forms and feedback from all ensured the data collection process was continually streamlined and refined.

In order to ensure the validity, reliability, timeliness, precision, and integrity of the data, ACDI/VOCA's HQ Senior M&E Director, in coordination with Agro Horizon, will execute an annual internal data quality assessment in the beginning of Year 2. Recommendations put forth from this assessment will guide changes that need to be made to the M&E system in Year 2.

On a quarterly basis, the M&E Director carried out a documentation review of data, including how well the information was being populated. By randomly choosing a selection of data and finding the corresponding documentation, consistency between the data on paper and in the database was assessed. The M&E Director also checked the accuracy and consistency of field documentation. Changes in procedures and/or additional trainings were conducted based on these findings. All collected data is verified and signed for approval by the person in charge of the collection. Additional documentation for data verification will be added on a case-by-case basis.

With M-Vector, a Bishkek-based research firm, Agro Horizon conducted a baseline survey in the second quarter to establish baseline values and select targets for indicators identified in Agro Horizon the performance indicator table, including impact and outcome indicators. The results established the foundation for measuring impact and determining whether Agro Horizon contributed to "accelerated growth of a diversified and equitable agriculture sector." The data provided a more comprehensive understanding of the prevailing living standards of the targeted beneficiaries in Agro Horizon's zone of influence.

The baseline study was a population-based survey of 2,000 randomly selected households (1,800 farmers and 200 SMEs) that captured data on characteristics of household-level farming practices, health, behavior and attitudes, nutrition, and household income. The survey collected critical data on women's asset ownership and land use, and the type of jobs, income, and time demands women have. Because USAID Agro Horizon is targeting the ability of both men and women to respond to market demands, both the male and female heads of household were interviewed. In addition, approximately 16 focus group discussions and around 30 in-depth interviews took place with community leaders, financial institution leaders, enterprise owners, and water user associations. The data collected through the baseline and the value chain assessments was used to finalize the performance indicator table and project targets.

Agro Horizon also conducted a comprehensive series of assessments, including a value chain analysis and gender analysis in November 2014, a stakeholder mapping and needs analysis, and other ad-hoc assessments. These analyses ensured that the project identified subsectors that offer the most promising opportunities for participation, growth, and increased competitiveness, and stronger target farmers, agribusinesses, ABSPs, and government agencies.

During Q4, the first annual survey was conducted to collect outcome indicators and inform the learning agenda. Whereas the baseline study was a population-based survey, the annual survey was beneficiary-based and included quantitative components. Approximately 1,000 beneficiaries were randomly selected from the Agro Horizon project database to be interviewed. The sample was drawn in such a way that it was representative at the rayon level, by category of beneficiary (smallholder or SME), and by age, sex, and value chain. This level of representation allowed the project to identify and analyze the patterns among the different groups of beneficiaries and regions of intervention. Agro Horizon gathered qualitative data through a series of focus group discussions and in-depth interviews, to better understand the quantitative data and to respond to specific learning questions. This, in turn, allows project management to understand how changes are occurring and adjust activities and targeting strategies.



## INDICATORS

In Year 1, Agro Horizon faced a significant fluctuation in the number and type of indicators reported on throughout the year in the draft AMEP. The USAID Kyrgyz Republic Economic Growth (KREG) indicators were integrated in an effort to unify and standardize indicators among KREG projects.

The Annual Report presents data for 11 of 20 output and outcome indicators in the approved Year 1 work plan. Of the original 20 indicators, nine did not have reportable data, either because they were excluded from the AMEP or because their indicators changed completely and other measurements replaced them based on discussions with USAID. Of the 11 that are reported here, eight carry over into the approved AMEP and will be tracked throughout the life of the project. For reporting consistency, these eight carryover indicators use target indicators from the approved AMEP, not the Year 1 Work Plan. The remaining three indicators (#3, 6 and 8), while not in the approved AMEP are included because they have reportable data. An additional 10 indicators, for a total of 19, will be reported on in Year 2 and beyond.

### Higher Level Indicators

|     |  | YEAR 1             |                    |               |
|-----|--|--------------------|--------------------|---------------|
| #   | INDICATOR  | Target<br>PLANNED  | Target<br>ACHIEVED | %<br>ACHIEVED |
| 1   | Number of rural households benefiting directly from USG assistance   | 4,000 <sup>1</sup> | 4,863              | 122%          |
| 2   | Number of food security private enterprises (for profit), producer organizations, water users' associations, women's groups, trade and business associations, and CBOs receiving USG assistance  | 8                  | 225                | 2813%         |
| 3   | Number of private enterprises (for profit), producer organizations, water/pasture users' associations, women's groups, trade and business associations, and CBOs that applied new technologies or management practices as a result of USG assistance | 100                | 0                  | 0%            |
| 4   | Number of individuals trained  | 6,000 <sup>2</sup> | 5,560              | 93%           |
| n/a | Proportion of women who report increased self-efficacy at the conclusion of USG supported training/ programming  | Indicator deleted  |                    |               |

<sup>1</sup> Total planned number of rural households was 5,875 in the Year 1 work plan but was decreased to 4,000 in the approved AMEP.

<sup>2</sup> Total planned number of individuals trained in the Year 1 work plan was 11,750, but this was decreased to 6,000 in the approved AMEP.

### Task 1: Productivity

|     |  | YEAR 1                                |                 |            |
|-----|--|---------------------------------------|-----------------|------------|
| #   | INDICATOR  | Target PLANNED                        | Target ACHIEVED | % ACHIEVED |
| 5   | Number of smallholder and commercial farmers applying new productivity techniques in target value chains                               | 4,807                                 | 3,200           | 67%        |
| 6   | Number of farmer groups linked to at least one buyer   | 200                                   | 0               | 0%         |
| n/a | Percentage of target smallholder and large commercial farm holders reporting improvements in quality of agricultural advisory services | Indicator deleted                     |                 |            |
| n/a | Value of incremental sales (collected at farm level) attributed to Agro Horizon implementation   | Data not collected in baseline survey |                 |            |

### Task 2: Marketing

|     |   | YEAR 1            |                 |            |
|-----|---|-------------------|-----------------|------------|
| #   | INDICATOR   | Target PLANNED    | Target ACHIEVED | % ACHIEVED |
| 7   | Number of jobs attributed to implementation                                 | 0                 | 49              |            |
| 8   | Number of new/improved products developed by beneficiaries assisted         | 5                 | 9               | 180%       |
| n/a | Percentage of growth of locally sourced inputs/raw material ordered by SMEs | Indicator deleted |                 |            |

### Task 3: Enabling Environment

|     |  | YEAR 1            |                 |            |
|-----|--|-------------------|-----------------|------------|
| #   | INDICATOR  | Target PLANNED    | Target ACHIEVED | % ACHIEVED |
| n/a | Percent decrease in complaints of beneficiaries regarding complex regulations and access to capital within the selected value chains | Indicator deleted |                 |            |
| n/a | Percentage of SME beneficiaries reporting increased knowledge/awareness of policies, regulations, and compliance                     | Indicator deleted |                 |            |

|     |  | YEAR 1            |                    |               |
|-----|--|-------------------|--------------------|---------------|
| #   | INDICATOR  | Target<br>PLANNED | Target<br>ACHIEVED | %<br>ACHIEVED |
| n/a | Value of agricultural and rural loans  | Indicator deleted |                    |               |
| n/a | Number of new financial products and services adapted and tailored to the needs of selected value chain actors | Indicator deleted |                    |               |

#### Task 4: Nutrition

|     |   | YEAR 1            |                    |               |
|-----|---|-------------------|--------------------|---------------|
| #   | INDICATOR   | Target<br>PLANNED | Target<br>ACHIEVED | %<br>ACHIEVED |
| 9   | Minimum dietary diversity – women (MDD-W) (score; max 9)  | 4.9               | 6.04               | 123%          |
| 10  | Percentage of households with soap and water at a hand-washing station commonly used by family members  | 80%               | 74%                | 0%            |
| 11  | Percentage of respondents who know at least three of the five critical moments of hand washing  | 55%               | 90.1%              | 164%          |
| n/a | Percentage of advisory and business service providers and producer groups that are appropriately integrating nutrition messages into agriculture activities | Indicator deleted |                    |               |

# IV. MANAGEMENT, CROSS-CUTTING, AND ADMINISTRATIVE

## MANAGEMENT

### AGRO HORIZON COLLABORATION CHART

| PROJECT                              | Y1 PROJECT COLLABORATION   |
|--------------------------------------|--|
| Business Growth Initiative (BGI)     | <p>In order to further develop and integrate HICD in Kyrgyzstan, the Agro Horizon project team participated in the HICD conference "Focus on People and Performance: Beyond Training to Organizational Results" in Istanbul, Turkey.</p> <p>Agro Horizon and other USAID projects (GGPAS, BGI, and Collaborative Good Governance Program) jointly conducted a one-day HICD workshop to share information learned.</p> <p>Agro Horizon's M&amp;E Director and managers participated in several joint activities on M&amp;E systems. Under the USAID KREG projects, there were several collaborative meetings covering KREG indicators and overall cooperation between the two key KREG projects.</p>    |
| Women Leadership SME Project (WLSME) | The M&E department worked together with WLSME throughout the year. Meetings and collaboration focused on sharing M&E findings and reports and approaches to the M&E system including data collection, data analysis, and reporting.  |
| Farmer-to-Farmer                     | Agro Horizon collaborates with this project to identify needs and specify scopes of assignments of volunteers. In July, a Farmer-to-Farmer horticulture specialist volunteer, Mohamed Abdel-Rahman, provided training to strawberry farmers and technical staff of rural advisory service (RAS) Jalalabad. Technical assistance included a series of practical and theoretical trainings on improved technologies in the production of strawberries, including soil preparation, planting of seedlings, proper irrigation, additional fertilizing with bio-organic fertilizers, production of strawberries in greenhouses, and information on high-yield varieties, pruning, and other related issues. |
| Local Market Development Project     | Agro Horizon and Helvetas' Local Market Development Project project supported the participation of farmer leaders and representatives, including women farmers, at the Agro Expo event. Both projects also collaborated on two joint events in Osh on agricultural development, the "Silk Road 2015" Agricultural Exhibition and the Agro Trade Platform in Osh.   |
|                                      | The projects signed a memorandum of understanding outlining the areas of cooperation. SPRING organized a two-day workshop for 13 staff members of Agro Horizon. A module on WASH was developed in cooperation with SPRING. Agro Horizon helped SPRING  |

|  |  |
|--|--|
| The Strengthening Partnerships, Results and Innovations in Nutrition Globally (SPRING) Project | <p>test WASH posters among farmers in the Kara Suu district of Osh oblast.</p> <p>Agro Horizon received A-4 formatted WASH posters from the SPRING project.</p> <p>The Agro Horizon M&amp;E department worked closely with the SPRING project by sharing M&amp;E documents and baseline results related to nutrition, participating in a nutrition workshop in Osh, and attending M&amp;E meetings and workshops under the USAID KREG projects.</p>  |
| UNDP   | <p>UNDP was a partner in organizing the Agro Trade platform in Naryn on June 25, 2015. UNDP's Naryn staff helped mobilize farmers and SMEs to attend the event. A total of 59 participants representing the potato, meat, and milk value chains attended the event.</p>  |
| Agha Khan Development Network (AKDN) and Mountain Societies Development Support Programme      | <p>The M&amp;E department participated in meetings and workshops on cooperation with the Agha Khan Development Network, particularly with the University of Central Asia, which was established by Agha Khan. The university shared their research findings with Agro Horizon.</p> <p>The Mountain Societies Development Support Programme was a partner in organizing the Agro Trade platform in Naryn, by mobilizing farmers and SMEs.</p>   |
| GIZ  | <p>GIZ and Agro Horizon supported the cooperative Alysh Dan, which produces organic apricots in Batken. Agro Horizon provided funding for tunnel type solar drying equipment, and this investment was leveraged by transportation and installation services provided by the cooperative. GIZ has provided support to Aldysh Dan over the last several years in organic apricots, and it supports the annual updating of their organic apricot certification.</p>   |
| Scaling Up Nutrition (SUN) Alliance  | <p>SUN has four main indicators, one of which overlaps with that of Task 4: “the progressive changes needed to create a legal and policy environment where nutrition action is prioritized and enabled. Such a legal environment is created by the existence of legislation related to nutrition. In addition, an enabling environment for nutrition is created through the existence of nutrition-specific policies, strategies and plans, as well as updated nutrition-sensitive policies in areas such as agriculture.” The Agro Horizon nutrition team participated in the following activities of SUN Alliance:</p> <ol style="list-style-type: none"> <li>1. Workshop on assessment of progress of SUN interventions on May 7, 2015, “Business engagement in nutrition”</li> <li>2. SUN Alliance’s teleconference on May 26, “Strengthening a culture of effective collaborating in the SUN Alliance”</li> <li>3. Development of the updated SUN Alliance strategy for 2016-2020 focusing on six key priorities on July 30.</li> </ol> |
| Republican Health Promotion Center   | <p>The Republican Health Promotion Center shared 4,550 pieces of four types of WASH BCC materials and 100,000 pieces of four types of promotional materials on zoonotic diseases at no cost to Agro Horizon. Agro Horizon registered the STICKS tool kit at Republican Health Promotion Center</p>   |
| Association of Village Health Committees   | <p>Work strategy between Agro Horizon and AVHC for 2016 was elaborated whereby AVHC coordinated double cascade trainings in Naryn region and delivered public events in Jala-</p>  |

|   |  |
|---|--|
| (AVHC)  | labad, Batken and Osh regions.   |
| World Food Programme (WFP)  | At a stakeholder meeting with the WFP, the nutrition team led a breakout session that focused on the successes, lessons learned, and innovative approaches in improving nutrition for women and children in Kyrgyzstan.  |
| USAID Good Governance and Public Administration Strengthening (GGPAS) Program | As a result of the Agro Horizon team's collaboration with GGPAS team, Agro Horizon nominated six people from its local partner organizations and beneficiaries to attend a year-long professional development program (in 2015–2016), organized by GGPAS. Agro Horizon nominated members from the Union of Water Users' Associations, the Union of Cooperatives of Kyrgyzstan, TES Center, Training, Advisory and Innovation Center, Rural Advisory Services, and Association of Fruits and Vegetables Enterprises.  |
| USAID Collaborative Good Governance Program                                   | Agro Horizon shared information on conducting diagnostics and assessments with local civil society organizations with the Collaborative Good Governance Program.   |
| Food and Agriculture Organization (FAO) Program of the United Nations         | Agro Horizon and FAO worked together to identify international and local agriculture experts to form the Experts Group to work on the optimization of the structure of the MOA.  |
| OSCE  | The Plenipotentiary Representative of the government of the Kyrgyz Republic in Jalalabad oblast initiated the organization of the annual business forum “Jalalabad 2015.” The business forum was supported by UNDP, Agro Horizon, GIZ, and OSCE, with the assistance of Kyrgyz Republic Foreign Ministry in southern Kyrgyzstan. Agro Horizon provided significant contribution by conducting a forum to improve the investment climate and attract foreign and domestic investments to projects that contribute to economic growth in the region, strengthen trade and economic relations, and create new enterprises.                    |
| Community Development Alliance (CDA)  | Agro Horizon invited women farmers from CDA-mobilized groups to the Agro Exhibition to research agroinputs and services and learn to advance their own production. CDA is a grassroots organization that implements the “Acceleration of Rural Women's Economic Empowerment” project of UN Women, FAO, the International Fund for Agricultural Development, and WFP.   |
| UN Women  | <p>Local representative of UN Women in Osh participated at Agro Horizon's kick-off meeting early in Year 1 to discuss opportunities for the two organizations to work together in their efforts to empower rural and farming women and women's groups.</p> <p>UN Women is one of four organizations that implements the project, “Acceleration of Rural Women's Economic Empowerment” (ARWEE) in agriculture along with FAO, WFP, and the International Fund for Agricultural Development in Kyrgyzstan. Locally, they contract with CDA to provide outreach to women that could be a beneficial network for Agro Horizon to tap into.</p> |



## CROSS CUTTING

### GENDER

Agro Horizon ensures implementation of gender-inclusive principles in planning, implementation, monitoring, and evaluation of the project activities based on findings from the gender analysis conducted in October 2014. This analysis revealed that women contribute to most levels of agricultural production and are active at some levels of the target value chains, although their roles and responsibilities depend upon the value chain itself and are quite segregated. Women tend kitchen gardens located close to the house and breed smaller livestock species, while in larger fields and commercial production and processing companies they are laborers. Women face bigger constraints in marketing their products as they are less mobile than men, have limited linkages to a broad range of buyers, and sell mainly what they produce in their kitchen gardens. The Agro Horizon gender team identifies key constraints and opportunities of women farmers through qualitative approaches such as talking to women's organizations at stakeholder meetings, roundtables, exhibitions, and other events. Based on this information, the project's gender strategy and subsequent gender and youth action plan were developed with USAID input.

The gender and youth action plan elaborates approaches to ensure that gender and youth considerations are integrated throughout Agro Horizon activities, specifically how they will be applied within all value chain models and standalone activities.

**Gender trainings** have been conducted throughout Year 1 for staff and partners and have been critical to raising awareness about gender equity and educating project stakeholders on methods of integrating gender into program activities. Thirty Agro Horizon staff members received training on ACIDI/VOCA's Gender First methodology, covering:

- Gender Basics
- Agro Horizon Gender Analysis Findings
- Gender in Program Design
- Gender Strategy, Action Plan, Tools for Planning and Implementation
- Introducing Gender into STAIRS Activity with Task Directors and M&E
- Sex-disaggregated M&E and Database Management
- Gender Oriented Communication and Learning

The gender team trained the catalyzing grantee trainers on best practices related to mainstreaming gender equality when delivering extension services to women farmers and described the challenges they might face. These trainings were add-ons to the WASH TOTs and explained gender equality and equity in agriculture, shared findings from both the gender and value chain assessments, explained the principles of integrating gender issues into extension services, and discussed contractual gender requirements.

The gender team worked closely with other Agro Horizon departments to integrate gender considerations in their work. The gender specialist assisted the nutrition team with a market analysis of accessible and available foods within the zone of influence and finalize the focus group discussion methodology. The gender specialist facilitated two focus

### GENDER QUALITY CHECKLIST ENSURES

- Women's participation and voice in agricultural value chains
- Increases women's productivity levels and incomes from agriculture activities and processing
- Increases women's access to capital, technologies, inputs and business/agriculture knowledge
- Increases employment opportunities for women
- Improves nutritional status of all family members

group discussions on dietary habits and diversity of available foods, incorporating information on gender roles related to accessing, producing, purchasing, cooking, and consuming foods and products within households.

Further support to the nutrition team included help adapting the BCC messages within WASH trainings to fit the needs of farmers and agricultural producers and processors. The gender specialist attended nutrition-sensitive agriculture production training conducting by the USAID SPRING project.

The SOWs for different agricultural production and processing interventions, such as trainings, field days, exhibitions, consultations, etc., had gender-sensitive approaches and targets for numbers of women and youth participants. Minimum thresholds of participation of women and youth were defined in consultation with task specialists to ensure that women and youth have access to trainings on improved technologies, advisory services, and other inputs. As expected, the grants on kitchen gardening (e.g., vegetable, strawberry, and raspberry production) had a high level of women participants. As a result of the integrative approaches supported by the gender team, nontraditional interventions such as agroexhibition and platforms targeted new women processors this year.

The gender team collaborated with the ME&L team to facilitate the collection of gender-sensitive information through registration forms and culturally sensitive questions. Both teams ensured that indicators were sex-disaggregated, where appropriate. They also cooperated in compiling and analyzing baseline and annual surveys and data collection. The gender team was granted access to various database dashboards so they could easily find gender-related data.

Work began on a gender audit of ABSPs to improve service delivery to women, build the organizational capacity of grantees and contractors to integrate gender into their activities, and promote gender equality through and among ABSPs. In Year 1, the methodology of the audit was defined using participatory approaches. The audit consists of two phases to be carried out in Year 2: 1) an initial pilot audit with eight catalyzing grant recipients, and 2) a refinement of the methodology and a second round of audits with a larger number of ABSP grantees.

The gender team was tasked to implement a gender analysis of new selected value chains and study where women farmers have more potential. The analysis was also meant to identify existing youth and women entrepreneurship in these value chains and develop an action plan on upscaling them.

Activities related to increasing access to financial resources and creating an information database system for farmers are postponed.

Activities analyzing the implications of a fixed tax payment scheme “patent” on women and development of gender-focused enabling-environment regulatory recommendations will be carried out in upcoming years.

## **YOUTH**

One of the main goals of Agro Horizon is the empowerment of youth in agriculture through linkages to targeted value chains, creation of work opportunities, and improvement of their skills and knowledge. A youth integration assessment was conducted in the second quarter by the Gender Mainstreaming Specialist to develop a youth integration strategy for the project. The strategies include the following: continuously analyze how to better integrate youth into project activities; ensure that all SOWs and interventions have youth targets that are clearly communicated to the contracted service providers; and ensure that youth and women are the core stakeholders in the development and implementation of project activities. Because the value chains have been changed, Year 2 will see the revision of youth activities across selected value chains and different models.

## ADMINISTRATION

### SUMMARY OF STAFFING

In the first quarter, the project start-up phase began by securing office space in Bishkek and Osh. Leases were signed and IT infrastructure, computers, and furnishings were procured and installed. The Naryn office was secured in the third quarter at the University of Central Asia and brought up to functionality.

The arrival of Chief of Party (COP) Ken Smith was delayed until early December due to health issues. ACDI/VOCA HQ staff Rebekah Bakewicz and Angelina Tracy managed the project start-up phase for the first three months. By December 2014, 30 percent of key administrative staff was hired for the Bishkek office, including the IT specialist, HR Manager, Finance & Accounting Manager, Operations Director, Grants Director, and Financial & Investment Services Director. Recruitment for the Osh office began in November and was completed in April 2015. By the end of Year 1, all offices were 98 percent staffed.

The Operations Department's structure was established for the Bishkek and Osh offices to include IT, accounting, human resources, procurement, and administration. All related policies and procedures were established, including employee, financial management, procurement, and property. All policies were adopted according to local legislation. All reports to local authorities, such as tax inspection, statistics committee, and social fund, have been submitted in a timely manner.

Agro Horizon saw a change in key personnel when COP Ken Smith resigned on May 12, 2015. The replacement COP, Martin West, quickly came on board in early June.

In September 2015, the staffing structure was reevaluated and realigned to better achieve the project's goals in Year 2.

### ADMINISTRATIVE ISSUES, INCLUDING START UP

The Agro Horizon contract was signed in early September and the COP arrived in early December. The COP's delayed arrival prevented a full scaling-up of office operations. Furthermore, a number of positions had to be re-advertised due to a lack of qualified candidates and to a high number of selected candidates rejecting salary offers (based on the budgeted rates). The USAID mission requested that the technical team from ACDI/VOCA headquarters to provide rapid start-up assistance to the project also delay their arrival until the COP arrived in Kyrgyzstan, resulting in the delay of some key activities, particularly initial assessments and STAIRS work planning sessions.

These operational delays pushed back the project implementation timeline by at least three months, causing the project to miss the window of opportunity to start at the beginning of the 2015 agriculture season. To address this, the project implemented catalyzing grants through the Project Fund mechanism. The Project Fund Manual was not approved at that time, and the catalyzing grants approval process for a number of small grants was time consuming, further extending the implementation timeline.

Other start-up challenges included major delays in the procurement of IT equipment in part due to difficulties getting approval for VAT exemption (before the denunciation of the U.S.-Kyrgyz Republic Bilateral Agreement in August 2015).

### YEAR 2 PLANNED MAIN ACTIVITIES

The geographic focus areas of Agro Horizon remains the same in Year 2: the regions of Osh, Batken, and Jalalabad in Southern Kyrgyzstan, and the Naryn region in the North. With a focus on these four regions, we will continue to engage actors in other locations that have market links to production in the target regions or the potential to strengthen competitiveness of the entire value chain for domestic or regional markets.

In the upcoming year, Agro Horizon will establish additional models for the most promising value chains. Having established a process for defining a model through the milk value chain, we will improve upon the efficiency of this process. To support the value chains and implementation models, Agro Horizon will also implement activities to strengthen ABSPs that serve farmers, BDSs that serve enterprises, and government agencies that facilitate the broader enabling environment.

Specifically, Agro Horizon's will continue to identify existing farmer groups that are immediately involved in the selected part of the value chain will continue; however, if a farmer group does not exist at the level of the specific intervention, Agro Horizon will not specifically develop groups if it is deemed unnecessary. In Year 2, the project will continue to work with farmer groups in the potato and nursery value chains. However, in the milk, onion, maize, and apricot interventions, individual farmers and SMEs might be the focus.

Agro Horizon will promote changes in the target value chains to spur economic growth that increases incomes and reduces hunger, poverty, and undernutrition. Using a facilitative, market-systems approach, Agro Horizon will:

1. Increase agricultural productivity and link producers to markets (Task 1, "Productivity")
2. Increase productivity and markets for agribusinesses (Task 2, "Marketing")
3. Improve enabling environment for agriculture sector growth (Task 3, "Enabling Environment")
4. Improve nutritional status of women and children in the zone of influence (Task 4, "Nutrition")

Agro Horizon has identified priority value chains that present the most viable opportunities for engaging smallholder farmers and improving the value chain to realize market opportunities. These value chains were selected based on information from value chain assessments, market research, stakeholder discussions, and initial catalyzing grant activities. The Year 2 priority value chains are livestock, potato, apricot, onion, maize, and nursery.

The main activities for the Year 2 work plan are divided into two sections: **Value Chain Activities** and **Supporting Activities**. There are direct activities related to development of each of the selected value chains. As for supporting activities, activities are planned that are outside of those related to value chain development from Tasks 1 and 2 as well as all activities of Task 3 and 4. For details please see the approved Year 2 work plan.

## V. ANNEXES

### A. Annex I: Procured Commodities and Inventory

| No | Item           | Description  | Serial number | AV tag number | Date of Acquisition or Procurement | US procured or US \$ Equivalent |
|----|----------------|--------------|---------------|---------------|------------------------------------|---------------------------------|
|    |                |              |               |               |                                    | US \$ price                     |
| 1  | Laptop         | HP Elitebook | 5CG4414R5H    | 5951          | 2-Nov-14                           | \$1,277.08                      |
| 2  | Laptop         | HP Elitebook | 5CG43722C7    | 5952          | 2-Nov-14                           | \$1,277.08                      |
| 3  | Laptop         | HP Elitebook | 5CG43722NL    | 5953          | 2-Nov-14                           | \$1,277.08                      |
| 4  | Laptop         | HP Elitebook | 5CG43727XV    | 5954          | 2-Nov-14                           | \$1,277.08                      |
| 5  | Laptop         | HP Elitebook | 5CG43722H4    | 5955          | 2-Nov-14                           | \$1,277.08                      |
| 6  | Laptop         | HP Elitebook | 5CG43722GW    | 5956          | 2-Nov-14                           | \$1,277.08                      |
| 7  | Laptop         | HP Elitebook | 5CG43722ZZ    | 5957          | 2-Nov-14                           | \$1,277.08                      |
| 8  | Laptop         | HP Elitebook | 5CG4452NZD    | 6004          | 10-Nov-14                          | \$1,479.00                      |
| 9  | Laptop         | HP Elitebook | 5CG4452NX7    | 6007          | 10-Nov-14                          | \$1,479.00                      |
| 10 | Laptop         | HP Elitebook | 5CG4452NY1    | 6002          | 10-Nov-14                          | \$1,479.00                      |
| 11 | Laptop         | HP Elitebook | 5CG4452NVK    | 6001          | 10-Nov-14                          | \$1,479.00                      |
| 12 | Laptop         | HP Elitebook | 5CG4452NXC    | 6003          | 10-Nov-14                          | \$1,479.00                      |
| 13 | Laptop         | HP Elitebook | 5CG4452NVX    | 6006          | 10-Nov-14                          | \$1,479.00                      |
| 14 | Laptop         | HP Elitebook | 5CG4452NWV    | 5995          | 10-Nov-14                          | \$1,479.00                      |
| 15 | Laptop         | HP Elitebook | 5CG4452NV7    | 5974          | 10-Nov-14                          | \$1,479.00                      |
| 16 | Laptop         | HP Elitebook | 5CG4452NYS    | 5975          | 10-Nov-14                          | \$1,479.00                      |
| 17 | Laptop         | HP Elitebook | 5CG4452NVL    | 5972          | 10-Nov-14                          | \$1,479.00                      |
| 18 | Laptop         | HP Elitebook | 5CG4452NX2    | 5973          | 10-Nov-14                          | \$1,479.00                      |
| 19 | Laptop         | HP Elitebook | 5CG4452NY9    | 5992          | 10-Nov-14                          | \$1,479.00                      |
| 20 | Laptop         | HP Elitebook | 5CG4452NYF    | 6000          | 10-Nov-14                          | \$1,479.00                      |
| 21 | Laptop         | HP Elitebook | 5CG4452NXY    | 6155          | 10-Nov-14                          | \$1,479.00                      |
| 22 | Laptop         | HP Elitebook | 5CG4452NTW    | 5997          | 10-Nov-14                          | \$1,479.00                      |
| 23 | Laptop         | HP Elitebook | 5CG4452NVR    | 5979          | 10-Nov-14                          | \$1,479.00                      |
| 24 | Laptop         | HP Elitebook | 5CG4452NWG    | 5976          | 10-Nov-14                          | \$1,479.00                      |
| 25 | Laptop         | HP Elitebook | 5CG4452NYK    | 5977          | 10-Nov-14                          | \$1,479.00                      |
| 26 | Laptop         | HP Elitebook | 5CG4475KMN    | 5999          | 10-Nov-14                          | \$1,479.00                      |
| 27 | Laptop         | HP Elitebook | 5CG4452NW1    | 5978          | 10-Nov-14                          | \$1,479.00                      |
| 28 | Laptop         | HP Elitebook | 5CG4452NYN    | 5994          | 10-Nov-14                          | \$1,479.00                      |
| 29 | Laptop         | HP Probook   | CND4443JCP    | 5969          | 6-Feb-15                           | \$594.20                        |
| 30 | Laptop         | HP Probook   | 5CG452NY9     | 5966          | 6-Feb-15                           | \$594.20                        |
| 31 | Laptop         | HP Probook   | CND4443K67    | 5968          | 6-Feb-15                           | \$594.20                        |
| 32 | Laptop         | HP Probook   | CND4443K2F    | 5971          | 6-Feb-15                           | \$594.20                        |
| 33 | Laptop         | HP Probook   | CND4443K1L    | 5970          | 23-Jan-15                          | \$600.31                        |
| 34 | Laptop         | HP Probook   | CND4443KOH    | 5964          | 23-Jan-15                          | \$600.31                        |
| 35 | Laptop         | HP Probook   | CND437598B    | 5961          | 23-Jan-15                          | \$600.31                        |
| 36 | Laptop         | HP Probook   | CND4443K6K    | 5965          | 23-Jan-15                          | \$600.31                        |
| 37 | Laptop+windows | HP Probook   | CND437597H    | 5959          | 6-Jan-15                           | \$803.56                        |
| 38 | Laptop+windows | HP Probook   | CND43758R1    | 5960          | 6-Jan-15                           | \$803.56                        |
| 39 | Laptop+windows | HP Probook   | CND43759B1    | 5963          | 6-Jan-15                           | \$803.56                        |

|   |                          |   |                        |       |                |             |
|---|--------------------------|---|------------------------|-------|----------------|-------------|
| 40                                      | Laptop+windows           | Asus  | EANOWU35687843A        | 5992  | 6-Jan-15       | \$1,077.39  |
| 41                                      | Laptop                   | HP Elitebook  | BCALN106CKE8K0J<br>ZIA | 5958* | 10-Nov-14      | \$1,277.08  |
| 42                                      | Laptop                   | HP Elitebook  | 5CG4452NZ5             | 6012* | 10-Nov-14      | \$1,479.00  |
| 43                                      | Laptop                   | HP Elitebook  | 5CG4452NW4             | 6009* | 10-Nov-14      | \$1,479.00  |
| 1                                       | Desktop                  | HP Z230 Mini-tower<br>Workstation,                      | 2UA4470SR5             | 5996  | 23-Dec-14      | \$954.00    |
| 2                                       | Desktop                  | HP Z230 Mini-tower<br>Workstation,                      | 2UA4470SR4             | 6011  | 23-Dec-14      | \$954.00    |
| 3                                       | Desktop                  | HP Z230 Mini-tower<br>Workstation                       | 2UA4470SRQ             | 6281  | 23-Dec-14      | \$954.00    |
| 4                                       | Desktop                  | HP Z230 Mini-tower<br>Workstation                       | 2UA4470TCS             | 5982  | 23-Dec-14      | \$954.00    |
| 5                                       | Desktop                  | HP Z230 Mini-tower<br>Workstation                       | 2UA4470TD2             | 6242  | 23-Dec-14      | \$954.00    |
| 6                                       | Desktop                  | HP Z230 Mini-tower<br>Workstation                       | 2UA4470TCT             | 6241  | 23-Dec-14      | \$954.00    |
| 7                                       | Desktop                  | HP Z230 Mini-tower<br>Workstation                       | 2UA4470SR8             | 6204  | 23-Dec-14      | \$954.00    |
| 1                                       | Micro Server             | Gen8-BUNDLE, HP Gen 8                                   | MX 243400CT            | 6484  | 23-Dec-14      | \$1,034.00  |
| 2                                       | Micro Server             | Gen8-BUNDLE, HP Gen 8                                   | MX 243400CZ            | 6481  | 23-Dec-14      | \$1,034.00  |
| 3                                       | Micro Server             | Gen8-BUNDLE, HP Gen 8                                   |                        |       | 23-Dec-14      | \$1,034.00  |
| 1                                       | Printer                  | Epson   | UBKY001315             | 6156  | 19-Mar-15      | \$815.15    |
| 2                                       | Printer                  | Epson   | UL6Y000405             | 6335  | 19-Mar-15      | \$815.15    |
| 3                                       | Copy machine             | Xerox Work Center 5330                                  | 3322432835             | 6334  | 8-Apr-15       | \$4,081.87  |
| 4                                       | Copy machine             | Xerox Work Center 5330                                  | 3322432479             | 6151  | 9-Apr-15       | \$4,081.87  |
| 1                                       | Generator                | Electric Generator                                      |                        | 6157  | 23-Apr-15      | \$22,218.11 |
| 1                                       | Projector                | Epson   | VAKK 14800183          | 5998  | 8-Apr-15       | \$842.97    |
| 2                                       | Projector                | Epson   | V72K4802               | 6336  | 8-Apr-15       | \$842.97    |
| 3                                       | Projector                | Epson   | V72K4802186            | 6158  | 8-Apr-15       | \$775.07    |
| 1                                       | Smart Switch             | SLM248PT-NA   | DNA182403FH            |       | 23-Dec-14      | \$599.00    |
| 2                                       | Smart Switch             | SLM248PT-NA   |                        |       | 23-Dec-14      | \$599.00    |
| 1                                       | Firewall                 | Fortinet Fortigade 60D with<br>1 year Fortiware Support | FGT60D4614033964       | 6483  | 23-Dec-14      | \$765.00    |
| 2                                       | Firewall                 | Fortinet Fortigade 60D with<br>1 year Fortiware Support | FGT60D4614034224       |       | 23-Dec-14      | \$765.00    |
| 1                                       | Camera                   | Nikon D5300 black                                       | 2127510                | 6160  | 7-May-15       | \$612.36    |
| 1                                       | Accounting program<br>1C | program for 5 users                                     |                        |       | 17-Apr-15      | \$1,098.17  |
| 1                                       | IP phone station         | IP ATC KX - NS 500UC                                    |                        | 6159  | 20-Apr-15      | \$1,712.46  |
| 2                                       | IP phone station         | IP ATC KX - NS 500UC                                    |                        | 6467  | 20-Apr-15      | \$1,712.46  |
| Purchased<br>Commodities<br>under Grant | BIS003                   | Strawberry runners                                      |                        |       | 14-Apr-15      | \$9,458.19  |
|   | BIS004                   | Seed potato   |                        |       | 28-Apr-15      | \$676.92    |
|   | BIS005                   | Drip irrigation system                                  |                        |       | 1-Jun-15       | \$711.79    |
|   | BIS006                   | Strawberry/raspberry<br>runners                         |                        |       | 8-May-15       | \$718.58    |
|   |                          | Tomato seed   |                        |       | 8-May-15       | \$718.58    |
|   | BIS007                   | Drying equipment  |                        |       | june july 2015 | \$5,413.06  |
| Purchased<br>Commodities                |                          | Demonstration equipment -<br>Solar dryer                |                        |       | 25-Aug-15      | \$1,178.83  |



## B. Annex 2: List of Reports, Analysis, Data, and Key Documents

| #  | Document Name  | Document Type        |
|----|--|----------------------|
| 1  | Year 1 Work Plan   | Contract Deliverable |
| 2  | Activity Monitoring and Evaluation Plan                                    | Contract Deliverable |
| 3  | Project Fund Manual  | Contract Deliverable |
| 4  | 1 <sup>st</sup> Quarterly Report   | Contract Deliverable |
| 5  | 2 <sup>nd</sup> Quarterly Report   | Contract Deliverable |
| 6  | 3 <sup>rd</sup> Quarterly Report   | Contract Deliverable |
| 7  | Value Chain Analysis   | Analysis             |
| 8  | Value Chain Analysis   | Presentation         |
| 9  | Gender Analysis  | Analysis             |
| 10 | Gender Analysis Trip Report  | Trip Report          |
| 11 | Financial Services Assessment  | Analysis             |
| 12 | Financial Services Assessment Trip Report                                  | Trip Report          |
| 13 | Task 4 Start-up Trip Report  | Trip Report          |
| 14 | HICD Start-up Trip Report  | Trip Report          |
| 15 | Work Planning with STAIRS™ Methodology                                     | Trip Report          |
| 16 | PERSUAP  | Report               |
| 17 | EM/FEMMP   | Manual               |
| 18 | AIRD report on Support Institutional Reform and Human Capacity Development | Report               |
| 19 | Market Driven Activities   | Report               |
| 20 | Market Driven Activities   | Presentation         |
| 21 | Market Driven Activities Trip Report                                       | Trip Report          |
| 22 | Winter Milk Financial Model  | Report               |
| 23 | Winter Milk Financial Model  | Presentation         |
| 24 | Winter Milk Financial Model Trip Report                                    | Trip Report          |

|    |  |              |
|----|--|--------------|
| 25 | Winter Milk Production Model   | Report       |
| 26 | Winter Milk Production Model   | Presentation |
| 27 | Winter Milk Production Model Trip Report                                       | Report       |
| 28 | MOA Experts Group Report   | Report       |
| 29 | Final Report on Agro Expo 2015 by Association of Agrobusinessman of Kyrgyzstan | Report       |
| 30 | Final Reports on Agro Trade Platform in Osh and Naryn by Contracting Center    | Report       |
| 31 | Final Report on Drip Irrigation Demonstrations by Kaplya Plus Cooperative      | Report       |
| 32 | Final Report on Apricot Drying Equipment by Alysh Dan Cooperative              | Report       |
| 33 | Final report on Packaging of Apricot by Batken Jemishy                         | Report       |
| 34 | Gender and Youth Integration Strategy  | Key Document |
| 35 | Apricot Production Model   | Report       |
| 36 | Apricot Production Model Trip Report   | Trip Report  |
| 37 | Baseline Survey  | Report       |
| 38 | Year 2 Work Plan   | Key Document |
| 39 | Year 2 Work Plan   | Presentation |
| 40 | Mapping of Donor Activities in the ZOI   | Key Document |

## C. Annex 3: Personnel Summary

|    | Position   | Short/Long Term | Local/Expatriate | LOE (days) FY15 |
|----|--|-----------------|------------------|-----------------|
| 1  | Agro Enterprise Director                           | Long Term       | Local            | 233             |
| 2  | Financial & Investment Services Director           | Long Term       | Local            | 157             |
| 3  | Financial & Investment Services Director           | Long Term       | Local            | 61              |
| 4  | Enabling Environment Director                      | Long Term       | Local            | 162             |
| 5  | M&E Director                                       | Long Term       | Local            | 228             |
| 6  | Partnerships and Grants Director                   | Long Term       | Local            | 40              |
| 7  | Partnerships and Grants Director                   | Short Term      | Local            | 64              |
| 8  | Operations Director                                | Long Term       | Local            | 151             |
| 9  | Operations Director                                | Short Term      | Local            | 40              |
| 10 | HICD Manager                                       | Long Term       | Local            | 171             |
| 11 | Communication and Learning Manager                 | Long Term       | Local            | 101             |
| 12 | Communication and Learning Manager                 | Short Term      | Local            | 52              |
| 13 | Database Specialist                                | Long Term       | Local            | 166             |
| 14 | Senior Grants Coordinator                          | Long Term       | Local            | 161             |
| 15 | Environmental Specialist                           | Long Term       | Local            | 175             |
| 16 | Accounting and Finance Manager                     | Long Term       | Local            | 185             |
| 17 | Accounting Assistant                               | Long Term       | Local            | 50              |
| 18 | Accountant   | Long Term       | Local            | 103             |
| 19 | Human Resources Manager                            | Long Term       | Local            | 199             |
| 20 | Human Resources Assistant                          | Short Term      | Local            | 16              |
| 21 | IT Manager   | Long Term       | Local            | 209             |
| 22 | Services Assist and Facilitate start up activities | Short Term      | Local            | 74              |
| 23 | Administrative assistant                           | Long Term       | Local            | 105             |
| 24 | Administrative support                             | Short Term      | Local            | 31              |
| 25 | Receptionist                                       | Long Term       | Local            | 27              |
| 26 | Receptionist                                       | Short Term      | Local            | 65              |
| 27 | Driver   | Long Term       | Local            | 198             |
| 28 | Driver   | Long Term       | Local            | 170             |
| 29 | Transportation services                            | Short Term      | Local            | 10              |
| 30 | Office Cleaner                                     | Long Term       | Local            | 161             |
| 31 | Procurement Services                               | Short Term      | Local            | 40              |
| 32 | Analysis for a financial services gap assesment    | Short Term      | Local            | 8               |
| 33 | Enviromental Compliance Plan for Demir bank        | Short Term      | Local            | 20              |
| 34 | Agriculture Productivity Director                  | Long Term       | Local            | 172             |
| 35 | Agricultural Services Manager                      | Long Term       | Local            | 156             |

|    |   |            |            |     |
|----|---|------------|------------|-----|
| 36 | Assistant to Agricultural Productivity Director   | Long Term  | Local      | 44  |
| 37 | Trainee in the Field of Agricultural Value Chain  | Short Term | Local      | 8   |
| 38 | Expert for the Assessment of the Advisory and Bus | Short Term | Local      | 52  |
| 39 | Chief of Party 1                                  | Long Term  | Expatriate | 177 |
| 40 | Chief of Party 2                                  | Long Term  | Expatriate | 72  |
| 41 | Deputy Chief of Party                             | Long Term  | Local      | 247 |
| 42 | Agro Enterprise Manager                           | Long Term  | Local      | 176 |
| 43 | Value Chain Finance Specialist                    | Long Term  | Local      | 176 |
| 44 | Nutrition Manager                                 | Long Term  | Local      | 185 |
| 45 | Nutrition Coordinator                             | Long Term  | Local      | 163 |
| 46 | Gender Mainstreaming Manager                      | Long Term  | Local      | 181 |
| 47 | SME/BDS Coordinator                               | Long Term  | Local      | 174 |
| 48 | SME/BDS Coordinator                               | Long Term  | Local      | 142 |
| 49 | SPS Coordinator                                   | Long Term  | Local      | 171 |
| 50 | Operations Manager                                | Long Term  | Local      | 183 |
| 51 | Regional M&E Manager                              | Long Term  | Local      | 173 |
| 52 | M&E Coordinatr Osh & Jalalabad                    | Long Term  | Local      | 121 |
| 53 | M&E Coordinatr Osh & Jalalabad                    | Long Term  | Local      | 29  |
| 54 | Grants Coordinator                                | Long Term  | Local      | 114 |
| 55 | Accountant  | Long Term  | Local      | 127 |
| 56 | Admin Assistant                                   | Long Term  | Local      | 181 |
| 57 | Driver  | Long Term  | Local      | 176 |
| 58 | Driver  | Long Term  | Local      | 180 |
| 59 | Driver  | Long Term  | Local      | 67  |
| 60 | Office Cleaner                                    | Long Term  | Local      | 153 |
| 61 | Agriculture Productivity Manager                  | Long Term  | Local      | 65  |
| 62 | Value Chain Coordinator                           | Long Term  | Local      | 181 |
| 63 | Value Chain Coordinator                           | Long Term  | Local      | 181 |
| 64 | Value Chain Coordinator                           | Long Term  | Local      | 152 |
| 65 | Value Chain Coordinator                           | Long Term  | Local      | 147 |
| 66 | M&E Coordinator Batken                            | Long Term  | Local      | 175 |
| 67 | Accounting Assistant                              | Long Term  | Local      | 98  |
| 68 | Driver  | Long Term  | Local      | 70  |
| 69 | Regional Manager                                  | Long Term  | Local      | 176 |
| 70 | Value Chain Coordinator                           | Long Term  | Local      | 166 |
| 71 | M&E Coordinator                                   | Long Term  | Local      | 157 |
| 72 | Project Manager                                   | Long Term  | Expatriate | 15  |
| 73 | Project Manager                                   | Long Term  | Expatriate | 6   |
| 74 | Project Manager                                   | Long Term  | Expatriate | 41  |
| 75 | Project Manager                                   | Long Term  | Expatriate | 12  |

|    |  |            |            |     |
|----|--|------------|------------|-----|
| 76 | Project Coordinator                              | Long Term  | Expatriate | 133 |
| 77 | Gender Advisor                                   | Short Term | Expatriate | 4   |
| 78 | M&E Advisor                                      | Short Term | Expatriate | 49  |
| 79 | Financial Innovation Advisor                     | Short Term | Expatriate | 18  |
| 80 | Nutrition Advisor                                | Short Term | Expatriate | 46  |
| 81 | Network Mapping Specialist                       | Short Term | Expatriate | 16  |
| 82 | Value Chain Advisor                              | Short Term | Expatriate | 19  |
| 83 | STAIRS Work Plan Development Methodology         | Short Term | Expatriate | 7   |
| 84 | Sell More For More Post Harvest Handling Trainer | Short Term | Expatriate | 15  |
| 85 | Work Plan Faciliator and SMFM PHH Trainer        | Short Term | Expatriate | 15  |
| 86 | Grants Specialist                                | Short Term | Expatriate | 16  |
| 87 | Environmental Compliance STTA                    | Short Term | Expatriate | 39  |
| 88 | Information Design Manager                       | Short Term | Expatriate | 15  |

## D. Annex 4: Subcontracts

### HELVETAS

Agro Horizon awarded a subcontract to HELVETAS to lead the implementation of Task 1 activities within the zone of influence under the direction of ACDI/VOCA, contributing to raising the incomes of smallholder farmers through production or employment in the agricultural sector. This includes increasing productivity of value chains by increasing the productivity of farmers and linking them to profitable markets.

HELVETAS collaborates on other Tasks, in particular Task 2, with farmers through existing or developing structures, such as producer groups, farmers' associations, and water users' associations (WUAs) to improve farm management, increase productivity, and promote skills in innovation, marketing, finance, natural resource conservation, and group management. HELVETAS arranges workshops and trainings with representatives from selected producer groups, helping them to create an investment and capacity-building assistance package to boost productivity and profitability of prioritized products. HELVETAS facilitates market linkages through vertical stakeholder interaction, such as value chain industry conferences and events, formalizing contract farming arrangements, and linking smallholders to local market opportunities. HELVETAS is addressing constraints to smallholders' access to inputs by establishing and expanding the quality and quantity of supplies to remote areas and strengthening backward linkages from producers to input suppliers through agro-dealer networks. They are also building the capacity of advisory and business service providers, focusing on business management and economic analysis, value chain development, and specialized technical topics such as greenhouse or dairy farm management. They are fostering an expansion of advisory services, particularly those embedded in value chain transactions, cooperatives, and associations. HELVETAS is looking to institutionalize a sustainable model for greater stakeholder participation in the provision of these advisory services.

The total award amount is \$3,733,411.

### AIRD

Agro Horizon awarded a subcontract to AIRD to contribute to Task 3, improving the environment for agricultural sector growth that is currently constrained by inadequate policy and regulatory environment, high turnover, and underinvestment in policy analysis and implementation. AIRD is working to advance the policy and regulatory environment so that it is favorable to local production, private investment, and international trade. AIRD is undertaking information gathering and analysis to develop a viable strategy to increase agricultural production and exports, expand employment, reduce poverty, and increase gender equality and food security. This information is then used to inform

the Ministry of Agriculture’s investment plan and operation budget and form policies and regulations to achieve these goals. Implementation of this analysis is supported by building the capacity of the MOA and improving communication between the government of Kyrgyzstan and key stakeholders.

To promote a simplified and equitable business-enabling environment, AIRD is harmonizing customs procedures, particularly as they relate to the import and export of agricultural commodities, and training customs officials, exporters, traders, and freight forwarders on the rules of trade. AIRD provides technical assistance to agricultural business associations to create a roadmap for legal, regulatory, and operational reforms. It also builds associations’ capacity to educate their members via practical simulation exercises and to communicate policy recommendations to government through evidence-based advocacy.

The total amount of this award is \$518,192.

## E. Annex 5: Status Reports on Progress, Delays, and Implementation Issues of Action Plans in Target Municipalities/Sectors

Year 1 progress is thoroughly detailed throughout the Annual Report, but most specifically in Section II Implementation. Delays and other implementation issues are well noted through Section II Implementation and in further detail under Section IV Management, Cross-Cutting, and Administration.

## F. Annex 6: Approvals Summary

| Kyrgyzstan Agro Horizon Project   |                                  |               |
|---|----------------------------------|---------------|
| October 1, 2014 - September 30, 2018  |                                  |               |
| Approvals to Date for Year 1  |                                  |               |
| Item  | Date Submitted                   | Date Approved |
| Travel Approval – Rebekah Bakewicz  | 9/22/2014                        | 9/23/2014     |
| Travel Approval – Maria Bina Palmisano  | 10/03/2014                       | 10/30/2014    |
| Travel Approval – Paul Forrest  | 10/03/2014                       | 10/30/2014    |
| Travel Approval – Angelina Tracy  | 10/03/2014                       | 10/30/2014    |
| Travel Approval – Claire Clugston   | 10/23/2014                       | 10/28/2014    |
| TCN Waiver – Markus Ischer, Elisabeth Katz, Jane Gisin, Peter Schmidt, Lydia Pluess and Valeriya di Berardino | 10/25/2014                       | 3/3/2015      |
| Annual Work Plan – Year 1   | 11/15/2014;<br>revised 2/6/2015; | 6/29/2015     |



|   |                                |            |
|---|--------------------------------|------------|
|   | revised 6/23/2015              |            |
| Travel Approval – Ken Smith   | 11/17/2014                     | 11/17/2014 |
| Activity Monitoring and Evaluation Plan (AMEP)                        | 12/1/2014                      | 10/1/2015  |
| Labor Approval – Susan Anderson                                       | 12/16/2014                     | 12/22/2014 |
| Travel Approval – Susan Anderson                                      | 1/12/2015                      | 1/12/2014  |
| Project Fund Manual   | 2/3/2015                       | 8/26/2015  |
| 1st Quarterly Report -Q1 FY 2015                                      | 2/3/2015                       | 6/2/2015   |
| Travel Approval – Jacob Gray  | 2/3/2015                       | 2/6/2015   |
| Travel Approval – William Sparks                                      | 2/3/2015                       | 2/6/2015   |
| Travel Approval – Jeremy Barnes                                       | 2/3/2015                       | 2/9/2015   |
| Travel Approval – Charlotte Block                                     | 2/10/2015                      | 2/12/2015  |
| Travel Approval – Dirck Stryker                                       | 2/25/2015                      | 2/27/2015  |
| Travel Approval – Mukhtar Amin  | 2/25/2015                      | 2/27/2015  |
| Travel Approval – Svetlana Livinets                                   | 2/25/2015                      | 2/27/2015  |
| Travel Approval – Rebekah Bakewicz                                    | 3/11/2015                      | 3/16/2015  |
| Travel Approval – Geoffrey Chalmers                                   | 4/3/2015                       | 4/7/2015   |
| PERSUAP   | 4/8/2015;<br>revised 6/26/2015 | 9/9/2015   |
| Labor Approval – William Sparks                                       | 4/22/2015                      | 4/30/2015  |
| Travel Approval – William Sparks                                      | 4/22/2015                      | 4/23/2015  |
| Labor Approval – Tamara Ljubinkovic                                   | 4/22/2015                      | 4/30/2015  |
| Travel Approval – Tamara Ljubinkovic                                  | 4/22/2015                      | 4/23/2015  |
| 2nd Quarterly Report –Q2 FY 2015                                      | 4/30/2015                      | 7/7/2015   |
| Key Personnel, Salary Approval, & TCN Waiver – Martin West            | 5/12/2015                      | 6/3/2015   |
| Labor Approval – Elizabeth Adams                                      | 5/20/2015                      | 5/27/2015  |
| Grant Approval - Alysh Dan (BIS007)                                   | 5/20/2015                      | 6/8/2015   |
| Grant Approval - Batken Jimishi (BIS013)                              | 5/20/2015                      | 6/8/2015   |
| Grant Approval - Contracting Centre, LLC. (BIS008), <i>correction</i> | 5/21/2015                      | 5/21/2015  |
| Travel Approval – Martin West   | 6/4/2015                       | 6/4/2015   |

|   |           |           |
|---|-----------|-----------|
| Travel Approval - Paul Schoen                 | 6/20/2015 | 6/22/2015 |
| Travel Approval - Nico van Wageningen         | 6/20/2015 | 6/22/2015 |
| Local Salary Adjustment – four local staff    | 6/22/2015 | 7/13/2015 |
| Travel Approval – Maria Bina Palmisano        | 6/22/2015 | 6/23/2015 |
| Labor Approval – William Sparks               | 6/26/2015 | 7/7/2015  |
| Travel Approval – William Sparks              | 6/26/2015 | 7/2/2015  |
| Labor Approval – Jennifer Williamson          | 6/30/2015 | 7/10/2015 |
| Travel Approval - Bakhtiyor Abduvokhidov      | 7/19/2015 | 7/20/2015 |
| 3rd Quarterly Report                          | 7/30/2015 | Pending   |
| Labor Approval – Nadia Namken                 | 7/31/2015 | 8/4/2015  |
| Annual Work Plan – Year 2                     | 8/5/2015  | 10/5/2015 |
| Travel Approval – ISPI EMEA Annual Conference | 9/21/2015 | 9/25/2015 |

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